



# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**Issued By**

**City Of Bowie, Prince George's County**

**Maryland**

**For Fiscal Year**

**July 1, 2010 To June 30, 2011**

**Prepared By Department Of Finance**

**Robert S. Patrick, Finance Director**

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**Kathleen Straser, Accountant**



*“Growth, Unity, Progress”*

**CITY OF BOWIE, MARYLAND**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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## CITY OF BOWIE, MARYLAND

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**SECTION I - INTRODUCTORY**



*“Growth, Unity, Progress”*

**CITY COUNCIL**

**G. FREDERICK ROBINSON, MAYOR**

**JAMES L. MARCOS, MAYOR PRO TEM**

**DENNIS BRADY**

**TODD M. TURNER**

**DIANE M. POLANGIN**

**ISAAC C. TROUTH**

**HENRI GARDNER**



**CITY MANAGER**  
**DAVID J. DEUTSCH**

**ASSISTANT CITY MANAGER**  
**JOHN L. FITZWATER**

**CITY ATTORNEY**  
**ELISSA D. LEVAN**

**FINANCE DIRECTOR**  
**ROBERT S. PATRICK**

**ASSISTANT FINANCE DIRECTOR**  
**H. BYRON MATTHEWS, CPA**

**INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**  
**REZNICK GROUP, P.C.**



# CITY OF BOWIE

October 31, 2011

Honorable Members of the Bowie City Council:

State law requires that all municipalities publish within four months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a certified public accountant. Pursuant to that requirement and the provisions of the City's Charter, Section 40, we hereby issue the comprehensive annual financial report (CAFR) for the City of Bowie, Maryland, for the year ended June 30, 2011.

This report consists of management's representations concerning the finances of the City of Bowie, Maryland. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Bowie, Maryland has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Bowie, Maryland statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Bowie, Maryland comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Reznick Group, P.C., a firm of licensed certified public accountants, has audited the City of Bowie, Maryland's financial statements. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the City of Bowie, Maryland for the fiscal year ended June 30, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Bowie, Maryland financial statements for the fiscal year ended June 30, 2011,



are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the Financial Section of the CAFR.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Bowie, Maryland's MD&A can be found immediately following the report of the independent auditor in the Financial Section of the CAFR.

## **PROFILE OF THE GOVERNMENT**

The City of Bowie is 18.7 square miles in size and located halfway between Washington, DC, and Baltimore, Maryland. Founded in 1870, and incorporated as a town in 1916, Bowie has grown from a small railroad stop to the largest municipality in Prince George's County, and the fifth largest city in the State of Maryland, with an estimated population of 54,787. The town was first called Huntington City, though its train station was named in honor of local resident, Governor Oden Bowie, president of the Baltimore and Potomac Railroad. The town was subsequently rechartered as Bowie. In the early days the land was subdivided by developers into more than 500 residential building lots, to create a large town site at a junction of the Baltimore and Potomac's main line to southern Maryland, and the branch line to Washington, DC.

In 1957, the firm of Levitt and Sons acquired the nearby Belair Estate, the original colonial plantation of Governor Samuel Ogle, where it developed the residential community of "Belair at Bowie". Two years later the Town of Bowie annexed the Levitt properties, and it re-incorporated as a city in 1963.

Today, the City of Bowie represents 8% of the total Prince George's County assessable base and 31.3% of the total municipal assessable base within the county.

The City of Bowie operates under a Council/Manager form of government. Policy-making and legislative authority are vested in a governing council consisting of seven members (Mayor and six Council members). The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the government's manager and attorney. The government's manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. All seven members serve two-year terms. Four of the council members are elected by district. The mayor and the two remaining council members are elected at large.

The City provides a range of municipal services including, but not limited to the following: housing and property inspections; solid waste and recycling collection; police; storm drainage; street and bike trail maintenance; snow removal and street lighting; parks and recreation; youth counseling; senior services and animal control. In addition, the City also provides water and sewer services to approximately 7,900 customers, of which 97% are residential households.

## **ECONOMIC CONDITION AND OUTLOOK**

The City is located in the northern part of Prince George's County at the crossroads of highways 3/301 and 50. Although considered to be in the Washington, DC metropolitan area, the City's location also gives it easy access to Baltimore and Annapolis. Despite the downturn in the national economy, the greater Washington, DC area continues to outperform many of the other major metropolitan areas across the country. Proximity to the Baltimore/Washington area generally contributes to the City's stability. The current economic condition of the City is strong, as demonstrated by the AAA rating from all three major bond rating agencies.

The Maryland Department of Labor, Licensing and Regulation reported the unemployment rate in Bowie at 5.3 percent, Prince George's County at 7.5 percent and the State at 7 percent on June 30, 2011. The median household income for the City of Bowie for the period of 2005 – 2009 was \$99,883 according to the United States Census Bureau. This income level exceeds the State of Maryland at \$68,854 and the United States at \$50,046 (United States Census Bureau, 2010 American Community Survey). According to the Federal Housing Financing Agency, Maryland ranked twenty-ninth in the nation for home price appreciation during the last year.

As a result of the State of Maryland's triennial reassessment of properties, the City's total assessed value will decline by 9% in FY2012. New home development has virtually come to a halt. The City issued 10 permits for new home construction during FY2011 as compared to 16 permits issued in FY2010. The majority of homes in the city are owner occupied single-family homes that the 2007 -2009 American Community Survey of the United States Census Bureau placed in the price range of \$300,000 to \$499,999 with a median value of \$358,100.

State-administered income tax proceeds, the City's largest source of intergovernmental revenue, increased by 20% in FY2011 and is expected to remain at current levels into FY2012. Uncertainty surrounding the State of Maryland's budget stresses the need for the City to maintain its fiscally conservative policy.

The City prepares long-term financial forecasts which are used in the development of the annual operating budget and six-year capital improvements program. The assumptions used in the financial forecasts are reviewed with the City Council as background for decisions about revenue projections and estimated costs. As a result of years of conservative budgeting and the City Council's implementation of fiscal policies, which include maintaining healthy unrestricted fund balance levels of no less than 25% of expenditures, the City should be able to maintain its current strong economic position.

## **MAJOR INITIATIVES**

The following activities highlight some of the City's major accomplishments during FY2011:

- The new City Hall opened for business in April 2011. The three-story, 80,000 square foot facility is located on City-owned property near the Bowie Town Center. It replaced the 39,500 square foot facility located at 2614 Kenhill Drive that served as City Hall since 1978.
- A major upgrade to the Waste Water Treatment Plant, which included an enhanced nutrient removal system that will help improve the health of the Chesapeake Bay, was completed in FY2011. The State's Bay Restoration Fund contributed nearly 83% towards the cost of this project.
- Ongoing development of the City Police Department. At June 30, 2011, 52 sworn officers were on board. A criminal investigation unit was established on November 1, 2010.
- A permanent exhibit was created at the Bowie Railroad Museum. The multi-faceted exhibit explores Bowie's earliest days as a railroad community – a true American home town. Rail safety, switching systems, and other memorabilia are also included.
- The City enrolled in the American Association for State and Local History's "Standards for Excellence Program (StEPS) for History Organizations." A comprehensive self-study, participation will involve a self assessment of six different aspects of museum operation and outreach that will allow the Division continue to professionalize Bowie's Museums.
- The combined City/County property tax rate for Bowie residents was reduced due to the Tax Differential Program. The main reason for the reduction to the County tax rate was the continued deployment of the City Police Department which replaced the police services previously provided by the County.
- FY2011 marked the conclusion of BGE's Bowie Electric Reliability Action Plan (BERAP) program to improve electric reliability. The total cost of BGE's investment in the Bowie community was estimated to be \$40 million.
- A recycling demonstration program was conducted in the Yorktown, Idlewild, Overbrook, Victoria Heights, Saddlebrook and Chapel Forge neighborhood, impacting 1,886 households.
- Shoppers Food announced the relocation of their headquarters to the Maryland Science and Technology Center/Melford.
- Annexation of Spring Meadows (52 units), Dixon Crossing (57 proposed units) and 167,016 square feet of commercial/flex space on Woodcliff Road was completed.
- Construction continued on an additional 249,180 square feet of office/flex buildings at the Maryland Science and Technology Center/Melford (including the Prince George's County 911 Call Center, completed in 2011). Site grading completed for 24,375 square feet of retail use. Site work begun on a hotel site which, when completed, will include 235,289 square feet and 362 rooms in three (3), five-story hotel buildings.

- Specific Design Plan revision approved for a 3,849 square foot TD Bank at Bowie Town Center (Bowie Corporate Center).
- A 174-seat, 5,328 square foot Red Robin restaurant was completed at Bowie Town Center.
- Revitalization of 69,769 square foot Pointer Ridge Shopping Center was completed.
- Renovation of existing 162,260 square foot Hilltop Plaza Shopping Center continued, including reconfiguration of the parking lot and addition of a 17,030 square foot bank building, a 14,967 square foot pharmacy, a 227-seat, 6,398 square foot Outback Steakhouse restaurant and additional in-line retail space.
- Construction of an 8,656 sq.ft. day care center (The Goddard School) in West Bowie Village.
- Residential construction continued at Dixon Crossing (57 units), Woodmore Estates (132 units), Ashleigh (118 units), The Hamptons at Woodmore (64 units), Peach Preserve (14 units) and Page Court (5 units).
- Residential construction was completed at Ashleigh Station (29 units), Patuxent Overlook (14 units) and Coleman subdivision (7 units).
- The City acquired a 10 acre parcel (Mills Subdivision) for open space and woodland conservation (\$360,000).
- Electronics recycling and shredding events were held during the year.
- The Whitemarsh Park Master Plan was completed.
- Implementation of the Energy Efficiency and Conservation Strategy plan.
- Continuation of the Senior Citizen “Green” Housing Rehabilitation Program to assist seniors in making their homes more energy efficient. Funding is being provided through a federal Community Development Block Grant.
- The City participates in a Demand Response program. This program diverts several City buildings from the main electric power grid during periods of high electrical demand in the region. Backup generators are used to provide the electricity to power each building. Participation in the program provided \$71,700 in additional revenues.
- Participation in a Business Incubator program located at Bowie State University.
- The City actively pursued and received grants for various capital projects.

Future developments include:

- FY2012 real and personal property tax rates remain at \$.40 and \$1.00 per hundred dollars of assessed valuation, respectively.
- The FY2012 budget includes the hiring of 2 new officers for the City's Police Department, bringing the total number of sworn officers to 54 by June 30, 2012.
- Over the coming year, the City will undertake a major project installing a new, more environmentally friendly and efficient heating system, including energy efficient windows and doors in the Belair Mansion, built circa 1745. The installation will contribute to and preserve this Bowie landmark's structural health for the future.
- Building permits will be issued for 362 rooms in three (3) hotel buildings at Melford.
- Building permits will be issued for 24,375 square feet of retail uses at Melford.
- Reconstruction of Bowie Marketplace Shopping Center (Main Street Market).
- Completion of residential construction in Peach Preserve (14 units), Ashleigh (118 units), and Woodmore Estates (132 units).
- Detailed Site Plans will be submitted for Mill Branch Crossing, a mixed commercial development of 619,000 square feet, including a 150-room hotel, 91,000 square feet office and 405,000 square feet of retail uses on US 301 at Mill Branch Road.
- Annexation of Mill Branch Crossing.
- Annexation of a 34,112 square foot Nissan dealership on US 301.
- Annexation of Ashleigh, Phase 2 (41 units) and Adnell Woods (72 units).
- Planting of over 42 acres of new woodland on City-owned property by the ICC Mitigation Project.
- Completion of 1,700 linear feet of new sidewalk construction between Evergreen Parkway and Mitchellville Road in the Bowie Town Center.
- Redevelopment of former Tia's Tex-Mex Restaurant to a 15,000 square foot, two-story, medical office building.

## **RETIREMENT AND OTHER POSTEMPLOYMENT BENEFITS**

The City has a defined contribution employee savings plan authorized under Section 401(k) of the Internal Revenue Service Code covering all full-time employees, with the exception of sworn officers in the Police Department. The City participates in a State administered multi-employer defined benefit plan on behalf of its sworn police officers. Additionally, the City has

established a deferred compensation plan in accordance with Internal Revenue Code Section 457 which is available to all employees.

The City also provides hospitalization and prescription benefits for qualifying retirees. No retirees received benefits during the year, which are typically financed on a pay-as-you-go basis.

Additional information on the City's retirement and other post-employment benefits can be found in Notes 3G, 3H and 3J to the basic financial statements.

### **CASH MANAGEMENT**

Temporary idle cash during the year was invested in the State created Maryland Local Government Investment Pool, certificates of deposit, and an interest bearing cash account. On June 30, 2011, the City's financial assets consisted of \$2,105,130 cash and \$46,433,697 in the investment pool. Interest earned on investments during fiscal year 2011 totaled \$92,075. This was \$56,219 less than the interest earned on investments in fiscal year 2010.

Additional information on the City's cash management can be found in Note 3A to the basic financial statements.

### **RISK MANAGEMENT**

On July 1, 1987, the City joined with other local governments and formed the Local Government Insurance Trust. The Local Government Insurance Trust is a self-insurance pool providing coverage for all risks except Workers' Compensation. The Injured Workers' Insurance Fund, a not-for-profit organization established by the State of Maryland, provides coverage for Workers' Compensation.

Additional information on the City's risk management can be found in Note 4 to the basic financial statements.

### **CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bowie, Maryland, for its comprehensive annual financial report for the fiscal year ended June 30, 2010. This was the thirty-seventh consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA, pursuant to an approved extension request, to determine its eligibility for another certificate.

### **DISTINGUISHED BUDGET PRESENTATION**

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the City of Bowie for its annual budget for the fiscal year beginning July 1, 2010. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device.

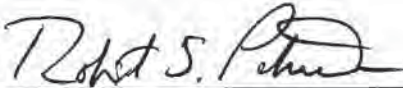
This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

### **ACKNOWLEDGMENTS**

Our sincere appreciation is extended to the staff of the Finance Department whose efficient and dedicated support throughout the year has culminated in the completion of this report. A word of thanks also goes to the City staff for their continuing cooperation. We thank the City Council for their interest and support in the planning and implementing of the financial operations of the City. A special acknowledgment is given to H. Byron Matthews, Kathleen Straser, Alice Smith, Michael Finelli and Diane Griffin-Pluebell for their efforts in the completion of this report.

Respectfully submitted:

  
\_\_\_\_\_  
David J. Deutsch  
City Manager

  
\_\_\_\_\_  
Robert S. Patrick  
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Bowie  
Maryland

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

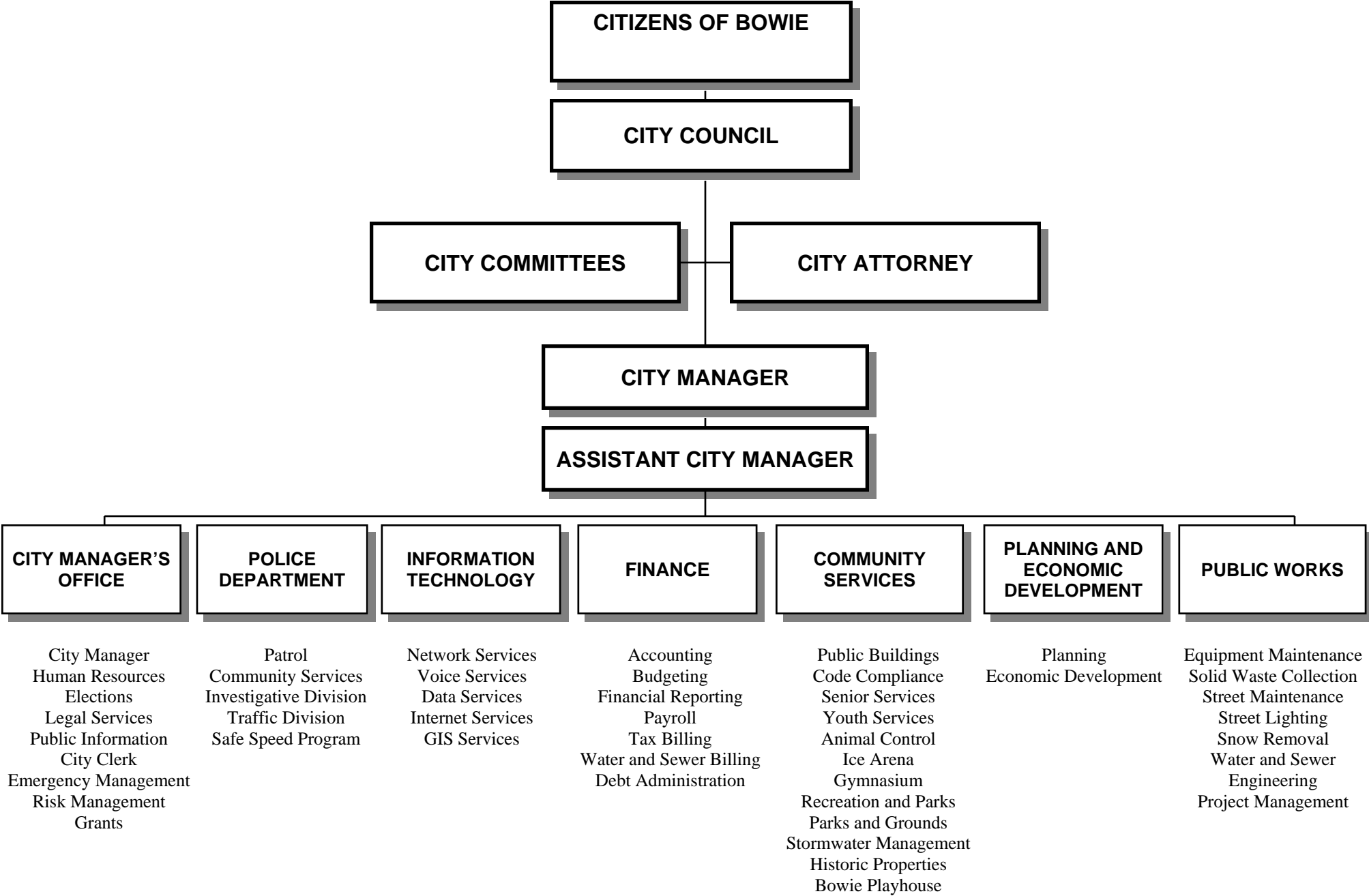


President

Executive Director



# CITY OF BOWIE, MARYLAND ORGANIZATION CHART





*“Growth, Unity, Progress”*

**SECTION II – FINANCIAL**



*“Growth, Unity, Progress”*

## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, Members of the City Council and City Manager  
City of Bowie, Maryland

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Bowie, Maryland, as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Bowie's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bowie, Maryland, as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with auditing standards generally accepted in the United States of America, we have also issued our report dated October 31, 2011 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with auditing standards generally accepted in the United States of America and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Schedule of Funding Progress for the Retiree Health Plan information on page 17 through 30 and 74, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board (GASB). We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bowie, Maryland's financial statements as a whole. The Budgetary Comparison Schedule - General Fund on pages 75 through 76 is not a required part of the basic financial statements but is supplementary information required by the GASB. The other supplementary information and individual fund budgetary schedules as listed in the table of contents are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, is fairly stated in all material aspects in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

*Reznick Group, P.C.*

Baltimore, Maryland  
October 31, 2011

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Management's Discussion and Analysis (MD&A) of the City of Bowie's Comprehensive Annual Financial Report (CAFR) presents a narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2011. The information presented here should be considered in conjunction with additional information provided in the letter of transmittal.

### **Financial Highlights**

The assets of the City exceeded its liabilities at June 30, 2011, by \$144.2 million (net assets). The vast majority of the City's net assets of \$95.4 million, net of related debt, are capital assets which generally do not directly generate revenue nor can they be sold to generate liquid capital. The remaining \$48.8 million is unrestricted and may be used to meet the City's future obligations. Of the \$48.8 million unrestricted assets, \$29 million is unassigned and available for future General Fund expenditures.

The unrestricted fund balance for the General Fund, consisting of committed, assigned and unassigned fund balances, represented 81.1% of total General Fund expenditures compared to the Council adopted target of 25%.

In comparison with the prior fiscal year, the City's total net assets increased \$10.1 million from \$134.1 million. Net assets of governmental activities increased \$8.3 million from \$114.4 million and net assets of business-type activities increased approximately \$1.9 million from \$19.6 million.

During the current fiscal year, the City's total long-term debt decreased by \$0.8 million.

### **Overview of the Financial Statements**

The financial section of the CAFR consists of three parts – management's discussion and analysis (this section), the basic financial statements and required supplementary information. This discussion and analysis are intended to serve as an introduction to the City of Bowie's basic financial statements. The City of Bowie's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City of Bowie's finances, in a manner similar to a private-sector business. These statements are prepared using the accrual basis of accounting.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Bowie include general government, economic development, public safety, social services, public works, parks, culture and recreation, and interest expense. Business-type activities are limited to the City's water and sewer system.

**Fund financial statements.** Traditional readers of government financial statements will find the fund financial statement presentation more familiar. The focus is now on the City's most significant funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate fiscal accountability. The City uses governmental and proprietary fund financial statements to provide more detailed information about the City's most significant funds rather than the City as a whole.

**Governmental funds.** Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation at the bottom of the fund financial statements.



**Proprietary funds.** Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises in which costs are recovered primarily through user charges. Proprietary fund financial statements, like government-wide financial statements, provide both long-term and short-term financial information. The fund financial statements provide more detail and additional information, such as cash flows, for the City's enterprise fund (one type of proprietary fund). The enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its water and sewer operations.

**Notes to the Basic Financial Statements.** The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Required Supplementary Information.** In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City. A budgetary comparison schedule has been provided for the General Fund.

**Other Supplementary Information.** Budgetary comparison schedules have been provided for the following funds to demonstrate compliance with their budgets:

- Equipment Acquisition and Replacement Fund
- Capital Projects Fund
- Water and Sewer Fund

## **Statistical Section**

The statistical section provides supplemental financial and statistical information intended to provide a broader understanding of the City's financial and economic environment. Much of the data presented is multi-year and some of it is derived from records external to the City's accounting records, therefore the statistical section is unaudited.

## **Financial Analysis of the City as a Whole**

### **Government-wide Financial Analysis**

The City's financial statements are prepared in conformity with the reporting model required by Governmental Accounting Standards Board Statement No. 34 (GASB 34), Basic Financial Statements – and Management's Discussion and Analysis (MD&A) – for State and Local Governments. MD&A includes prior fiscal year results for the purpose of providing comparative information.

**Net Assets**

	Governmental activities		Business-type activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 52,299,513	\$ 59,962,795	\$ 1,647,289	\$ 1,226,886	\$ 53,946,802	\$ 61,189,681
Capital assets, net	89,880,168	75,426,757	24,736,202	23,363,101	114,616,370	98,789,858
Total assets	<u>142,179,681</u>	<u>135,389,552</u>	<u>26,383,491</u>	<u>24,589,987</u>	<u>168,563,172</u>	<u>159,979,539</u>
Long-term liabilities outstanding	14,971,706	15,666,688	3,629,046	3,409,149	18,600,752	19,075,837
Other liabilities	4,495,498	5,295,301	1,236,802	1,528,785	5,732,300	6,824,086
Total liabilities	<u>19,467,204</u>	<u>20,961,989</u>	<u>4,865,848</u>	<u>4,937,934</u>	<u>24,333,052</u>	<u>25,899,923</u>
Net assets:						
Invested in capital assets, net of related debt	74,600,883	72,183,365	20,858,635	19,652,053	95,459,518	91,835,418
Restricted	-	11,865,736	-	-	-	11,865,736
Unrestricted	48,111,594	30,378,462	659,008	-	48,770,602	30,378,462
Total net assets	<u>\$ 122,712,477</u>	<u>\$ 114,427,563</u>	<u>\$ 21,517,643</u>	<u>\$ 19,652,053</u>	<u>\$ 144,230,120</u>	<u>\$ 134,079,616</u>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At June 30, 2011, the City's assets exceeded liabilities by \$144.2 million.

By far the largest portion of the City's net assets (66 percent) reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. Capital assets are used to provide services to residents; consequently, these assets are not available for future spending. Although the investment in capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The governmental activities investment in capital assets, net of related debt increased by \$2.4 million or 3.4%. Most of this increase is attributable to the construction of the new City Hall.

The business-type activities investment in capital assets, net of related debt increased by \$1.2 million or 6.1%. Improvements to the Wastewater Treatment Plant account for this significant increase.

The following table summarizes the City's change in net assets for the year ended June 30, 2011:

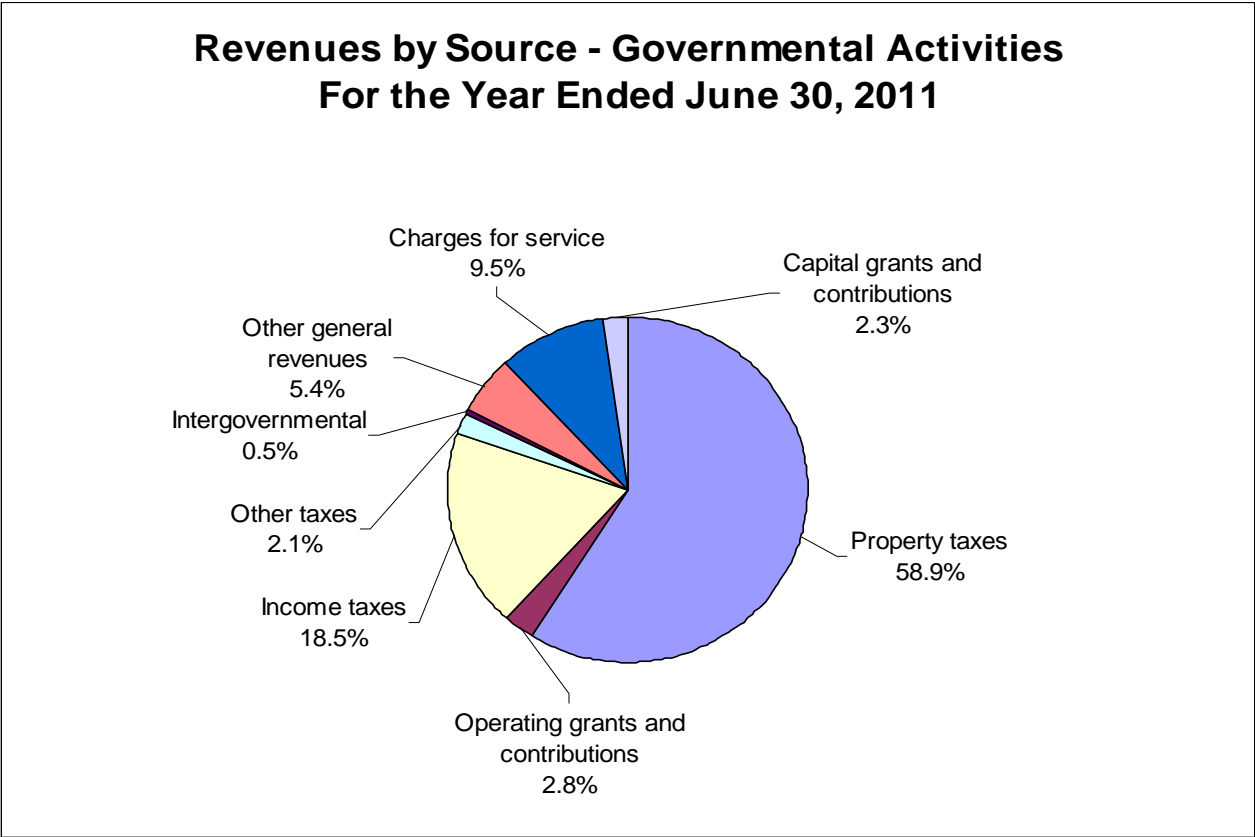
**Changes in Net Assets**

	Governmental activities		Business-type activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for service	\$ 4,308,944	\$ 1,666,899	\$ 4,910,195	\$ 4,721,611	\$ 9,219,139	\$ 6,388,510
Operating grants and contributions	1,286,362	1,089,794	-	-	1,286,362	1,089,794
Capital grants and contributions	1,040,368	2,312,527	2,038,387	5,668,821	3,078,755	7,981,348
General revenues:						
Property taxes	26,689,415	24,242,568	-	-	26,689,415	24,242,568
Income taxes	8,359,765	6,745,325	-	-	8,359,765	6,745,325
State shared revenues	228,974	304,065	-	-	228,974	304,065
Other taxes	950,806	970,936	-	-	950,806	970,936
Other general revenues	2,073,624	1,783,278	281,888	249,284	2,355,512	2,032,562
Total revenues	<u>44,938,258</u>	<u>39,115,392</u>	<u>7,230,470</u>	<u>10,639,716</u>	<u>52,168,728</u>	<u>49,755,108</u>
Expenses:						
General government	7,898,539	6,968,044	-	-	7,898,539	6,968,044
Economic development	263,300	315,021	-	-	263,300	315,021
Public safety	8,637,166	7,093,351	-	-	8,637,166	7,093,351
Social services	1,930,998	1,881,644	-	-	1,930,998	1,881,644
Public works	11,495,674	12,294,093	-	-	11,495,674	12,294,093
Parks, culture and recreation	6,272,473	6,243,114	-	-	6,272,473	6,243,114
Interest on long-term debt	519,494	502,051	-	-	519,494	502,051
Water and wastewater	-	-	5,000,580	4,939,598	5,000,580	4,939,598
Total expenses	<u>37,017,644</u>	<u>35,297,318</u>	<u>5,000,580</u>	<u>4,939,598</u>	<u>42,018,224</u>	<u>40,236,916</u>
Increase (Decrease) in net assets before transfers	7,920,614	3,818,074	2,229,890	5,700,118	10,150,504	9,518,192
Transfers	<u>364,300</u>	<u>352,500</u>	<u>(364,300)</u>	<u>(352,500)</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in net assets	8,284,914	4,170,574	1,865,590	5,347,618	10,150,504	9,518,192
Net assets - beginning	114,427,563	110,256,989	19,652,053	14,304,435	134,079,616	124,561,424
Net assets - ending	<u>\$ 122,712,477</u>	<u>\$ 114,427,563</u>	<u>\$ 21,517,643</u>	<u>\$ 19,652,053</u>	<u>\$ 144,230,120</u>	<u>\$ 134,079,616</u>

The overall increase in the City's net assets amounted to \$10.1 million during the fiscal year. These increases are explained in the governmental and business-type activities discussion that follows.

## Governmental Activities

Governmental activities increased the City's net assets by \$8.3 million. Total revenues and transfers of \$45.3 million are comprised of program revenues totaling \$6.6 million, or 15%, and general revenues and transfers of \$38.7 million, or 85%. General revenues are the principal source of funding for the major activities of the City. Sources of revenue are comprised of the following items:

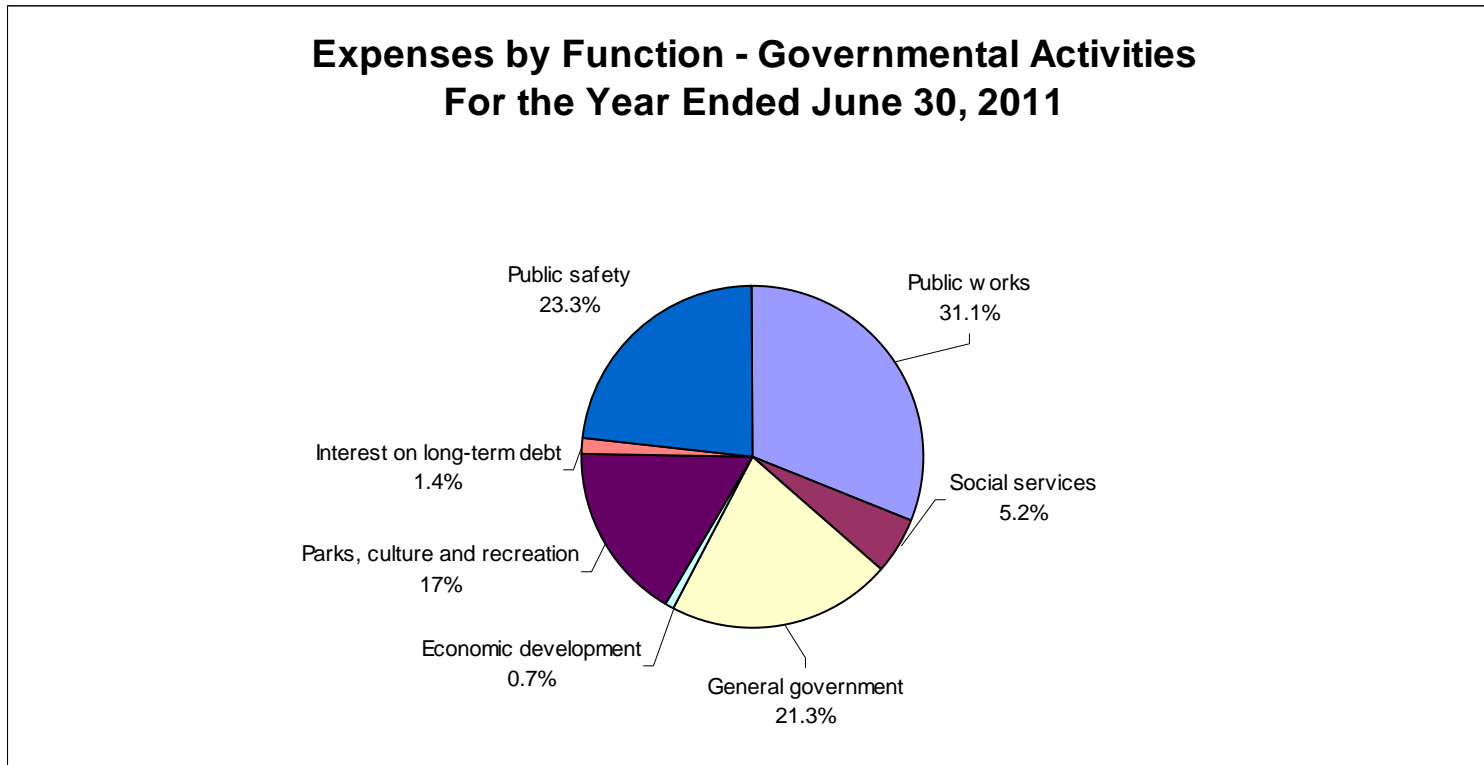


### Key elements of the increase in net assets are as follows:

- Property taxes increased by \$2.4 million during the year, primarily due to increases in assessment values.
- Income taxes increased by \$1.6 million.
- Program revenues, consisting of charges for services, contributions, operating and capital grants, increased by \$1.6 million.

A more detailed discussion of the City's revenue results for FY2011 as compared to what was budgeted can be found in the General Fund Budgetary Highlights section of this MD&A.

The cost of all governmental activities for FY2011 was \$37 million. As the following chart indicates, Public Works constitutes the City's largest program, totaling \$11.5 million. Public Safety expenses totaled \$8.6 million, while General government, the third largest expense for the City, totaled \$7.9 million.



The following table presents the cost and program revenues of each of the City's five largest programs – public works, public safety, general government, parks, culture and recreation, and social services – as well as each program's net cost (total cost less fees generated by the activities and program-specific grants and contributions).

Net Cost of City's Governmental Activities

	Expenses		Program Revenues		Net Cost of Services	
	2011	2010	2011	2010	2011	2010
Public works	\$ 11,495,674	\$ 12,294,093	\$ 480,939	\$ 360,687	\$ 11,014,735	\$ 11,933,406
Public safety	8,637,166	7,093,351	4,260,277	1,165,866	4,376,889	5,927,485
General government	7,898,539	6,968,044	224,576	248,245	7,673,963	6,719,799
Parks, culture and recreation	6,272,473	6,243,114	1,388,149	3,082,053	4,884,324	3,161,061
Social services	1,930,998	1,881,644	281,733	212,369	1,649,265	1,669,275
Other	263,300	315,021	-	-	263,300	315,021
Interest on long-term debt	519,494	502,051	-	-	519,494	502,051
Total	<u>\$ 37,017,644</u>	<u>\$ 35,297,318</u>	<u>\$ 6,635,674</u>	<u>\$ 5,069,220</u>	<u>\$ 30,381,970</u>	<u>\$ 30,228,098</u>

**Business-type Activities**

The City's water and sewer operation is reported here. Charges for services represent the principal revenue source for the City's business-type activities. During the current fiscal year, revenue from business-type activities totaled \$7.2 million. Expenses and transfers for these activities totaled \$5.4 million and resulted in an increase in net assets of \$1.9 million.

**Financial Analysis of the City's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds**

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is valuable in assessing the City's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Unassigned fund balance provides a reserve for emergencies, enables the City Council to stabilize tax rates, and provides working capital from which to pay City bills between tax collection due dates. Types of major governmental funds reported by the City include the General Fund, Equipment Acquisition and Replacement Fund and the Capital Projects Fund.

At the end of FY2011, the City's governmental funds reported combined ending fund balances of \$47.8 million. Of the total ending fund balances, \$29 million constitutes the unassigned fund balance, which is available for spending at the City's discretion.

The General Fund is the primary operating fund of the City. At the end of FY2011, unassigned fund balance of the General Fund was \$29 million, while the total fund balance totaled \$32.6 million. As a measure of the General Fund's liquidity, it may be useful to compare both

unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 73 percent of the total General Fund expenditures and transfers out, while total fund balance represents 82.2 percent of the same amount.

The fund balance of the City's General Fund increased by \$4.4 million during the current fiscal year. Revenues increased by \$7.4 million due to increasing assessments of taxable property (\$2.4 million), an increase in Income Taxes (\$1.3 million), speed camera infractions (\$2.6 million), and increased federal grants of \$0.7 million.

Expenditures increased by \$4.9 million as a result of the following:

- Continued implementation of the City police department increased Public Safety expenditures by \$1.6 million.
- Public Works expenditures decreased by \$0.5 million, primarily due to milder winter months.
- Total debt service costs rose by \$1.1 million, reflecting the first full year of principal and interest payments on the 2009 bond issue.
- Transfers to the Capital Projects Fund increased by \$1.9 million.
- Grants provided to qualified seniors for home repairs increased by \$0.4 million.

The Equipment Acquisition and Replacement Fund has a total fund balance of \$6.4 million, which is predominantly assigned by the City Council for subsequent years expenditures. The remainder of fund balance is committed to liquidate contracts and purchase orders of the prior period and to indicate that it is not available for new spending. The net increase in fund balance during the current year was \$0.5 million. The required transfer from the General Fund was \$0.1 million more than the previous year. Expenditures increased by \$0.6 million and included the purchase of 5 refuse trucks, 5 police vehicles, an in-car camera system for police vehicles, and other equipment per the replacement schedule.

The Capital Projects Fund is used to account for the overall financing and expenditure of uncompleted projects. Of the total ending fund balance of \$8.7 million, \$4.1 million is either committed to liquidate contracts of the prior period or to account for the fund balances of each stormwater special taxing district enacted by the City Council, and is not available for new spending. The remaining assigned fund balance of \$4.6 million is for subsequent year's expenditures and other uses. The net decrease in fund balance during the current year was \$12.2 million. The transfer from the General Fund was \$1.6 million more than the previous year. Expenditures increased by \$8.7 million as compared to the previous year.

### **Proprietary funds**

The City's proprietary funds provide the same type of information found in the government-wide statements, but include more detail.

The Water and Sewer Fund had no restricted net assets at the end of the year. After a transfer to the General Fund of \$0.4 million, the fund ended FY2011 with an increase in net assets of \$1.9 million.

A discussion of enterprise fund long-term debt can be found in the Debt Administration section presented later in this MD&A. Other factors concerning the finances of the enterprise fund are addressed in the discussion of the City's business-type activities.

## General Fund Budgetary Highlights

The City's final budget differs from the original budget in that it contains City Council approved supplemental appropriations and transfers between activities. The amount of transfers between the major expenditure functions was relatively minor. Supplemental appropriations totaling \$2,004,400 were approved. The supplemental appropriations can be briefly summarized as follows:

- \$608,000 – The City received a federal grant from the United States Department of Housing and Urban Development and the Open Door Housing Fund to provide assistance to low and moderate income seniors for home improvements and repairs. The budget of the City Manager's office was increased in recognition of the federal grant.
- \$1,396,400 – The Police Department's budget was increased by \$950,000 for the cost of professional services to administer the speed camera program and was funded by the revenue from speed camera infractions. The Streets Maintenance Division's budget was increased by \$200,000 after the City received a settlement of \$200,000 to finish street paving at Woodmore Estates Phase III. The City received federal grants totaling \$246,400 for various activities, including the purchase of single stream recycling containers, increasing the capacity of the Youth Services Bureau to provide prevention, intervention and treatment services, performing residential energy audits, and assistance for establishing a City-wide tree canopy plan. The budgets of the City Manager's Office, Planning, Solid Waste, Streets Maintenance, and Youth Services were increased in recognition of the federal grants.

Actual expenditures and other financing uses were \$4.1 million less than the final amended budget. These differences can be briefly summarized as follows:

- Public Works expenditures were \$1.3 million less, primarily due to lower than anticipated costs in the Solid Waste and Street Maintenance divisions. Total anticipated personnel and related fringe benefit costs, landfill disposal fees and operating supplies were \$0.6 million less than budgeted in the Solid Waste division. The actual number of tons of waste collected was less than anticipated. The operating supplies budget anticipated higher fuel prices. Street maintenance expenditures were \$0.4 million less due to lower than anticipated costs in items including street lighting and maintenance costs, repair and maintenance supplies, equipment rental and street resurfacing. Lower supplies and equipment rental costs are attributable to a milder winter season.
- Police Department expenditures were \$0.3 million less due to lower than anticipated personnel and related fringe benefit costs.
- The required transfer to the Equipment Acquisition and Replacement Fund was \$0.5 million less than originally estimated.
- The remaining differences were spread across the various other activities of the General Fund and were relatively minor within each activity.

Revenues and other financing sources amounted to \$44.1 million in fiscal year 2011, an increase of 20 percent from fiscal year 2010.



General property taxes produced \$2.4 million more revenue than in fiscal year 2010, an increase of 10.1 percent. The assessable tax base increased to \$6.4 billion, an increase of 5.4 percent.

Intergovernmental revenues increased by \$1.9 million, reflecting a \$1.3 million increase in Income Taxes received from the State of Maryland.

Fees and fines increased by \$2.7 million, primarily due to collections from the speed camera program. Fiscal year 2011 was the first full year of implementation for this program.

Expenditures and transfers amounted to \$39.8 million, an increase of \$4.7 million, or 13.4 percent from fiscal year 2010.

Transfers to the Equipment Acquisition and Replacement Fund and the Capital Projects Fund increased by \$0.1 million and \$1.9 million, respectively.

## Capital Assets and Debt Administration

### Capital Assets

The City's capital assets for its governmental and business-type activities as of June 30, 2011, amounted to \$114.6 million (net of accumulated depreciation). Capital assets include land, historical treasures, building and improvements, improvements other than buildings, machinery and equipment, infrastructure and other capital assets (intangible assets). The total net increase in the City's capital assets for the current fiscal year was 16% (a 19.2% increase for governmental activities and a 5.9% increase for business-type activities) as shown in the following table.

### Capital Assets, Net of Depreciation

	Governmental activities		Business-type activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 14,412,790	\$ 14,043,509	\$ 1,489,192	\$ 1,489,192	\$ 15,901,982	\$ 15,532,701
Historical treasures	324,439	204,550	-	-	324,439	204,550
Buildings and improvements	40,382,000	21,462,165	14,418,975	4,247,251	54,800,975	25,709,416
Improvements other than buildings	6,536,841	6,934,297	3,012,372	3,265,974	9,549,213	10,200,271
Machinery and equipment	6,242,049	4,086,041	1,041,697	764,305	7,283,746	4,850,346
Infrastructure	20,198,371	19,874,542	4,273,432	4,454,397	24,471,803	24,328,939
Other capital assets	282,708	242,206	-	-	282,708	242,206
Construction in progress	1,500,970	8,579,447	500,534	9,141,982	2,001,504	17,721,429
Total	<u>\$ 89,880,168</u>	<u>\$ 75,426,757</u>	<u>\$ 24,736,202</u>	<u>\$ 23,363,101</u>	<u>\$ 114,616,370</u>	<u>\$ 98,789,858</u>

Under the Governmental Activities Capital Assets, the balance of \$1,500,970 for Construction in Progress includes: design and engineering costs for the Railroad Avenue Hiker-Biker Trail totaling \$95,500; \$507,045 for the Solid Waste Administration facility; \$50,511 for art at the new City Hall; \$181,479 for the dredging of the Gateway Center pond; construction of the restroom/concession stand at Church Road Park (\$199,042); design, plans and fees for an electrical upgrade system at Allen Pond Park (\$51,844); design and engineering for the synthetic turf ball field at Whitemarsh Park (\$262,717); and \$152,832 for various other projects.

The other significant additions to Governmental Activities Capital Assets included: construction of the new City Hall (\$12,013,813), including \$917,557 for office equipment, \$472,836 for audio visual systems, \$209,857 for computer equipment, and \$213,338 for a new phone system; \$1,152,450 for street improvements, purchase of five fully equipped police vehicles totaling \$144,974, purchase of one vehicle for the City Manager’s Department (\$28,793), purchase of four trucks for the Streets Maintenance Division (\$233,432), purchase of five refuse trucks for the Solid Waste Division (\$668,125); purchase of one truck for Community Services (\$19,021); and the purchase of one vacuum leaf truck totaling \$16,239.

Under the Business-type Activities Capital Assets, the more significant additions included improvements for the Enhanced Nutrient Removal system at the Wastewater Treatment Plant in the amount of \$1,820,775; improvements to the Water and Sewer distribution systems (\$47,724); purchase of one truck (\$24,277), one 400kW generator (\$74,000), one backhoe loader (\$91,131) for the Wastewater Division, and one 400kW generator (\$165,866) for the Water Division.

More detailed information about the City’s capital assets is presented in Note 3E to the basic financial statements.

## Debt Administration

At year-end, the City had \$19 million in bonds outstanding versus \$19.5 million last year – a decrease of 2.7 percent - as shown in the following table.

### Outstanding Debt

	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
General obligation bonds (backed by the City)	\$ 15,136,181	\$ 15,956,868	\$ -	\$ -	\$ 15,136,181	\$ 15,956,868
Long-term financing with State of Maryland	-	-	3,866,336	3,565,225	3,866,336	3,565,225
OPEB liability	313,073	202,073	30,530	20,530	343,603	222,603
Compensated absences	1,313,430	1,213,135	158,248	150,664	1,471,678	1,363,799
Total outstanding debt	<u>\$ 16,762,684</u>	<u>\$ 17,372,076</u>	<u>\$ 4,055,114</u>	<u>\$ 3,736,419</u>	<u>\$ 20,817,798</u>	<u>\$ 21,108,495</u>

Neither Maryland State law nor the City Charter mandates a limit on municipal debt. The City Council adopted a policy to limit debt, exclusive of amounts being repaid by the Water and Sewer System, to 0.8 percent of assessed value of taxable property. At June 30,

2011, assessed value of such property totals \$6,378,484,469, the debt limit was \$51,027,876 and the amount of debt applicable to the limit was \$14,775,000, or approximately 29% of the debt limit. The debt policy also states that the ratio of debt service expenditures as a percent of general fund revenues, exclusive of debt repaid by the Water and Sewer Fund, shall not exceed 10 percent. In FY2011, the ratio of debt service expenditures, totaling \$1,332,806, as a percentage of general fund revenues, totaling \$44,109,553, was 3 percent.

The City's general obligation bond rating is AAA from Standard and Poor's, Aaa from Moody's Investor Service, and AAA from Fitch Ratings. Other obligations include accrued vacation leave and other post-employment benefit liabilities. More detailed information about the City's long-term liabilities is presented in Note 3K to the basic financial statements.

### **Economic Factors and Next Year's Budget and Rates**

The City is located in the northern part of Prince George's County at the crossroads of highways 3/301 and 50. Although considered to be in the Washington, DC metropolitan area, the City's location also gives it easy access to Baltimore and Annapolis. Despite the downturn in the national economy, the greater Washington, DC area continues to outperform many of the other major metropolitan areas across the country. Proximity to the Baltimore/Washington area generally contributes to the City's stability.

As a result of the State of Maryland's triennial reassessment of properties, the City's total assessed value will decline by 9% in FY2012. New home development has virtually come to a halt. The City issued 10 permits for new home construction during FY2011 as compared to 16 permits issued in FY2010. The majority of homes in the city are owner occupied single-family homes that the 2007 -2009 American Community Survey of the United States Census Bureau placed in the price range of \$300,000 to \$499,999 with a median value of \$358,100.

The Maryland Department of Labor, Licensing and Regulation reported the unemployment rate in Bowie at 5.3 percent, Prince George's County at 7.5 percent and the State at 7 percent on June 30, 2011. The median household income for the City of Bowie for the period of 2005 – 2009 was \$99,883 according to the United States Census Bureau. This income level exceeds the State of Maryland at \$68,854 and the United States at \$50,046 (United States Census Bureau, 2010 American Community Survey). According to the Federal Housing Financing Agency, Maryland ranked twenty-ninth in the nation for home price appreciation during the last year.

The City prepares a financial forecast as a component in the process of developing the annual operating budget and the six-year capital improvements program. The assumptions in the forecast are reviewed with the City Council as background for decisions about revenue projections and estimated costs.

Real and personal property tax rates remain at \$.40 and \$1.00 per \$100 of assessed valuation, respectively, in the FY2012 adopted budget. General Fund revenues and transfers from other funds in FY2012 are budgeted to decrease by 0.4 percent from the FY2011 budget year. General property taxes make up approximately 61.2 percent of General Fund budgeted revenues and transfers from other funds. State-administered income tax proceeds, the City's largest source of intergovernmental revenue, increased by 19.6% in FY2011. General Fund expenditures and transfers to other funds are budgeted to decrease by 5.2 percent from the FY2011 budget year.

As for the City's business-type activities, water and sewer rates increase to \$7.54 in FY2012 as compared to \$7.31 in FY2011.

## **Requests for Information**

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the Finance Department, Attn: Finance Director, at 15901 Excalibur Road, Bowie, Maryland 20716 or call (301) 809-3025.

**BASIC FINANCIAL STATEMENTS**

**CITY OF BOWIE, MARYLAND**  
**Statement of Net Assets**  
**June 30, 2011**

	Primary Government		Total
	Governmental activities	Business-type activities	
<b>Assets:</b>			
Cash, cash equivalents and investments	\$ 47,782,585	\$ 756,242	\$ 48,538,827
Property taxes receivable, net	100,973	-	100,973
Other receivables, net	726,384	879,816	1,606,200
Due from other governments	3,358,142	-	3,358,142
Other assets	331,429	11,231	342,660
<b>Capital assets:</b>			
Land, historical treasures and construction in progress	16,238,199	1,989,726	18,227,925
Other capital assets, net of accumulated depreciation	73,641,969	22,746,476	96,388,445
<b>Total assets</b>	<b>142,179,681</b>	<b>26,383,491</b>	<b>168,563,172</b>
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	1,686,935	205,281	1,892,216
Accrued interest payable	274,641	54,007	328,648
Deposits and customer advances	304,664	491,012	795,676
Due to other governments	213,280	60,434	273,714
Notes payable	225,000	-	225,000
<b>Noncurrent liabilities:</b>			
<b>Due within one year:</b>			
Long-term debt payable	775,000	281,532	1,056,532
Compensated absences	1,015,978	144,536	1,160,514
<b>Due in more than one year:</b>			
Long-term debt payable	14,361,181	3,584,804	17,945,985
Net other postemployment benefits	313,073	30,530	343,603
Compensated absences	297,452	13,712	311,164
<b>Total liabilities</b>	<b>19,467,204</b>	<b>4,865,848</b>	<b>24,333,052</b>
<b>Net Assets:</b>			
Invested in capital assets, net of related debt	74,600,883	20,858,635	95,459,518
Unrestricted	48,111,594	659,008	48,770,602
<b>Total net assets</b>	<b>\$ 122,712,477</b>	<b>\$ 21,517,643</b>	<b>\$ 144,230,120</b>

The notes to the basic financial statements are an integral part of this statement.

**CITY OF BOWIE, MARYLAND**  
**Statement of Activities**  
**For the Year Ended June 30, 2011**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business- type Activities	
<b>Primary Government:</b>							
<b>Governmental activities:</b>							
General government	\$ 7,898,539	\$ 189,576	\$ 35,000	\$ -	\$ (7,673,963)	\$ -	\$ (7,673,963)
Economic development	263,300	-	-	-	(263,300)	-	(263,300)
Public safety	8,637,166	2,881,045	534,620	844,612	(4,376,889)	-	(4,376,889)
Social services	1,930,998	4,768	276,965	-	(1,649,265)	-	(1,649,265)
Public works	11,495,674	125,362	355,577	-	(11,014,735)	-	(11,014,735)
Parks, culture and recreation	6,272,473	1,108,193	84,200	195,756	(4,884,324)	-	(4,884,324)
Interest on long-term debt	519,494	-	-	-	(519,494)	-	(519,494)
<b>Total governmental activities</b>	<b>37,017,644</b>	<b>4,308,944</b>	<b>1,286,362</b>	<b>1,040,368</b>	<b>(30,381,970)</b>	<b>-</b>	<b>(30,381,970)</b>
<b>Business-type activities:</b>							
Water and wastewater	5,000,580	4,910,195	-	2,038,387	-	1,948,002	1,948,002
<b>Total primary government</b>	<b>\$ 42,018,224</b>	<b>\$ 9,219,139</b>	<b>\$ 1,286,362</b>	<b>\$ 3,078,755</b>	<b>(30,381,970)</b>	<b>1,948,002</b>	<b>(28,433,968)</b>
<b>General revenues:</b>							
<b>Taxes:</b>							
Property taxes					26,689,415	-	26,689,415
Income taxes					8,359,765	-	8,359,765
Gas and motor vehicle taxes					216,074	-	216,074
Unrestricted state shared revenues					12,900	-	12,900
Other taxes					950,806	-	950,806
Franchise fees					1,427,929	-	1,427,929
Unrestricted investment income					91,457	618	92,075
Miscellaneous					554,238	281,270	835,508
Transfers					364,300	(364,300)	-
<b>Total general revenues and transfers</b>					<b>38,666,884</b>	<b>(82,412)</b>	<b>38,584,472</b>
<b>Change in net assets</b>					<b>8,284,914</b>	<b>1,865,590</b>	<b>10,150,504</b>
<b>Net assets - beginning</b>					<b>114,427,563</b>	<b>19,652,053</b>	<b>134,079,616</b>
<b>Net assets - ending</b>					<b>\$ 122,712,477</b>	<b>\$ 21,517,643</b>	<b>\$ 144,230,120</b>

The notes to the basic financial statements are an integral part of this statement.



*“Growth, Unity, Progress”*



**FUND FINANCIAL STATEMENTS**

**CITY OF BOWIE, MARYLAND**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2011**

	General Fund	Equipment Acquisition and Replacement Fund	Capital Projects Fund	Total
<b>Assets:</b>				
Cash, cash equivalents and investments	\$ 32,510,444	\$ 6,362,445	\$ 8,909,696	\$ 47,782,585
Property taxes receivable, net	100,973	-	-	100,973
Other receivables	725,154	471	759	726,384
Due from other governments	3,271,332	86,810	-	3,358,142
Other assets	188,325	-	-	188,325
Total assets	<u>\$ 36,796,228</u>	<u>\$ 6,449,726</u>	<u>\$ 8,910,455</u>	<u>\$ 52,156,409</u>
<b>Liabilities And Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 1,492,004	\$ 14,453	\$ 180,478	\$ 1,686,935
Notes payable	225,000	-	-	225,000
Deposits	304,664	-	-	304,664
Deferred revenue	1,944,470	-	-	1,944,470
Due to other governments	213,280	-	-	213,280
Total liabilities	<u>4,179,418</u>	<u>14,453</u>	<u>180,478</u>	<u>4,374,349</u>
<b>Fund Balances:</b>				
Nonspendable	413,325	-	-	413,325
Committed	1,915,594	77,903	4,091,386	6,084,883
Assigned	1,298,774	6,357,370	4,638,591	12,294,735
Unassigned	28,989,117	-	-	28,989,117
Total fund balances	<u>32,616,810</u>	<u>6,435,273</u>	<u>8,729,977</u>	<u>47,782,060</u>
Total liabilities and fund balances	<u>\$ 36,796,228</u>	<u>\$ 6,449,726</u>	<u>\$ 8,910,455</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	89,880,168
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds	2,087,574
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds	<u>(17,037,325)</u>
Net assets of governmental activities	<u>\$ 122,712,477</u>

The notes to the basic financial statements are an integral part of this statement.

**CITY OF BOWIE**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2011**

	General Fund	Equipment Acquisition and Replacement Fund	Capital Projects Fund	Total
<b>Revenues:</b>				
Taxes	\$ 27,571,427	\$ -	\$ -	\$ 27,571,427
Licenses and permits	350,163	-	-	350,163
Intergovernmental revenues	9,637,865	464,463	184,500	10,286,828
Fees and fines	5,040,208	-	-	5,040,208
Contributions	149,192	-	25,000	174,192
Interest income	118,265	9,960	25,649	153,874
Rental income	338,864	-	-	338,864
Other revenues	539,269	-	8,000	547,269
<b>Total Revenues</b>	<b>43,745,253</b>	<b>474,423</b>	<b>243,149</b>	<b>44,462,825</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	6,681,853	-	-	6,681,853
Economic development	262,372	-	-	262,372
Public safety	7,853,483	-	-	7,853,483
Social services	1,883,217	-	-	1,883,217
Public works	11,521,465	-	-	11,521,465
Parks, culture and recreation	5,150,400	-	-	5,150,400
Other - unclassified	365,866	-	-	365,866
<b>Debt service:</b>				
Principal	775,000	-	-	775,000
Interest	557,031	-	-	557,031
Paying and fiscal agent fees	775	-	-	775
Capital outlay	30,359	1,430,548	15,559,928	17,020,835
<b>Total Expenditures</b>	<b>35,081,821</b>	<b>1,430,548</b>	<b>15,559,928</b>	<b>52,072,297</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>8,663,432</b>	<b>(956,125)</b>	<b>(15,316,779)</b>	<b>(7,609,472)</b>
<b>Other financing sources (uses):</b>				
Sale of capital assets	-	9,910	-	9,910
Transfers in	364,300	1,530,221	3,090,700	4,985,221
Transfers out	(4,620,921)	-	-	(4,620,921)
<b>Total other financing sources (uses)</b>	<b>(4,256,621)</b>	<b>1,540,131</b>	<b>3,090,700</b>	<b>374,210</b>
<b>Net change in fund balance</b>	<b>4,406,811</b>	<b>584,006</b>	<b>(12,226,079)</b>	<b>(7,235,262)</b>
Fund balances - beginning	28,209,999	5,851,267	20,956,056	55,017,322
<b>Fund balances - ending</b>	<b>\$ 32,616,810</b>	<b>\$ 6,435,273</b>	<b>\$ 8,729,977</b>	<b>\$ 47,782,060</b>

The notes to the basic financial statements are an integral part of this statement.

**CITY OF BOWIE**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances of Governmental Funds to the**  
**Statement of Activities**  
**For the Year Ended June 30, 2011**

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Net change in fund balance - total governmental funds	\$	(7,235,262)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Outlay	18,210,625	
Depreciation expense	(3,634,902)	
Capital outlay exceeded depreciation expense in the current period by:		14,575,723

In the statement of activities, the loss on the disposition of capital assets is reported, whereas in the governmental funds, the entire proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balances by costs of the capital assets sold less any accumulated depreciation.

Proceeds on sale of capital assets	(9,910)	
Book value of assets sold	(112,402)	
Loss on sale of capital assets		(122,312)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		465,523
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Other Post Employment Benefits reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.		(111,000)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payment on general obligation debt	775,000	
Amortization of bond issue cost	(15,900)	
Amortization of bond premium	45,687	804,787

(Continued)

**CITY OF BOWIE**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances of Governmental Funds to the**  
**Statement of Activities**  
**For the Year Ended June 30, 2011**

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Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the governmental funds when it is due, thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional interest reported in the statement of activities is the result of accrued interest on the long-term debt.

7,750

In the statement of activities, compensated absences are measured by the amounts earned during the year. In governmental funds, however, expenditures are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, compensated absences earned exceeded amounts used.

(100,295)

Change in net assets of governmental activities

\$ 8,284,914

The notes to the basic financial statements are an integral part of this statement.

**CITY OF BOWIE, MARYLAND**  
**Statement of Net Assets**  
**Proprietary Fund**  
**June 30, 2011**

	<b>Enterprise Fund</b>
	<b>Water and Sewer Fund</b>
<b>Assets:</b>	
<b>Current assets:</b>	
Cash, cash equivalents and investments	\$ 756,242
Accounts receivable, net	199,945
Unbilled accounts receivable	679,759
Accrued interest receivable	112
Total current assets	1,636,058
<b>Noncurrent assets:</b>	
<b>Capital assets:</b>	
Land and construction in progress	1,989,726
Other capital assets, net of accumulated depreciation	22,746,476
Issuance costs	11,231
Total noncurrent assets	24,747,433
Total assets	26,383,491
<b>Liabilities:</b>	
<b>Current liabilities:</b>	
Accounts payable and accrued liabilities	205,281
Intergovernmental payable	60,434
Accrued interest payable	54,007
Escrow deposits	124,372
Customers advances for service	366,640
Long-term debt payable - current	281,532
Compensated absences - current	144,536
Total current liabilities	1,236,802
<b>Noncurrent liabilities:</b>	
Long-term debt payable	3,584,804
Other post employment benefits	30,530
Compensated absences	13,712
Total noncurrent liabilities	3,629,046
Total liabilities	4,865,848
<b>Net Assets:</b>	
Invested in capital assets, net of related debt	20,858,635
Unrestricted	659,008
Total net assets	\$ 21,517,643

The notes to the basic financial statements are an integral part of this statement.

**CITY OF BOWIE, MARYLAND**  
**Statement of Revenues, Expenses, and Changes in Net Assets**  
**Proprietary Fund**  
**For the Year Ended June 30, 2011**

	<b>Enterprise Fund</b>
	<b>Water and Sewer Fund</b>
<b>Operating revenues:</b>	
Water sales and sewerage surcharge	\$ 3,766,347
Minimum charges	1,036,702
Forfeited discounts and penalties	19,635
Processing fees	10,150
Other operating income	77,361
Total operating revenues	4,910,195
<b>Operating expenses:</b>	
Water supply	1,578,034
Sewage treatment	2,059,388
Administrative and general	360,133
Miscellaneous	51,104
Depreciation	860,654
Total operating expenses	4,909,313
Operating income	882
<b>Nonoperating revenues (expenses):</b>	
Interest income	618
Rental income - tower leases	261,060
Gain on sale of capital assets	20,210
Amortization of bond issuance costs	(1,497)
Interest expense and fiscal agent charges	(89,770)
Total nonoperating revenues (expenses)	190,621
Capital Contributions - State Grant	2,038,387
Income before transfers	2,229,890
Transfers out	(364,300)
Change in net assets	1,865,590
Total net assets - beginning	19,652,053
Total net assets - ending	\$ 21,517,643

The notes to the basic financial statements are an integral part of this statement.

CITY OF BOWIE, MARYLAND  
Statement of Cash Flows  
Proprietary Fund  
For the Year Ended June 30, 2011

(Page 1 of 2)

	Enterprise Fund
	Water and Sewer Fund
<b>Cash flows from operating activities:</b>	
Receipts from customers	\$ 4,906,774
Other operating revenues	334,460
Payments to suppliers	(1,676,122)
Payments to employees	(2,449,382)
Net cash provided by operating activities	1,115,730
<b>Cash flows from noncapital financing activities:</b>	
Operating transfers to other funds	(364,300)
<b>Cash flows from capital and related financing activities:</b>	
Proceeds from sale of capital assets	20,210
State revolving loan proceeds	493,684
State grant funds	2,038,387
Purchases and construction of capital assets	(2,532,078)
Principal paid on capital debt	(192,573)
Interest paid on capital debt	(86,521)
Net cash used by capital and related financing activities	(258,891)
<b>Cash flows from investing activities:</b>	
Interest income	701
Net increase in cash and cash equivalents	493,240
Cash and cash equivalents - beginning	263,002
Cash and cash equivalents - ending	\$ 756,242

(Continued)



**CITY OF BOWIE, MARYLAND**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**For the Year Ended June 30, 2011**

(Page 2 of 2)

**Reconciliation of operating income to net cash provided  
by operating activities:**

<b>Operating loss</b>	<b><u>\$ 882</u></b>
<b>Adjustments to reconcile operating income to net cash provided  (used) by operating activities:</b>	
Rental income - tower leases	261,060
Depreciation	860,654
Provision for uncollectible accounts	487
<b>Change in assets and liabilities:</b>	
Decrease in accounts receivable	60,850
Decrease in intergovernmental receivable	9,397
Decrease in prepaid expenses	523
Increase in compensated absences	7,584
Increase in OPEB liability	10,000
Increase in intergovernmental payable	136
Increase in accrued liabilities	5,074
(Decrease) in accounts payable	(104,123)
Increase in customer advances	3,206
<b>Total adjustments</b>	<b><u>1,114,848</u></b>
<b>Net cash provided by operating activities</b>	<b><u><u>\$ 1,115,730</u></u></b>

**Noncash investing, capital and financing activities:**

Included in additions to Business-type capital assets are construction payables of \$8,615

The notes to the basic financial statements are an integral part of this statement.



*“Growth, Unity, Progress”*

**NOTES TO BASIC FINANCIAL STATEMENTS**

CITY OF BOWIE, MARYLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011

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1. Summary of Significant Accounting Policies

The City of Bowie, Maryland is a municipal corporation governed by an elected mayor and six-member council. The City was incorporated in 1916 and adopted its present Charter in 1963. The City operates under a Council-Manager form of government, and although not a full service City, provides the following services: public works, police, culture and recreation, community development, code enforcement, and planning and economic development. In addition, the City owns and operates a water and sewer system that services approximately forty percent of its residents. The Washington Suburban Sanitary Commission provides water and sewer services to residents outside the City's franchise area. Prince George's County provides a number of services to City residents that include: police and fire protection, public library and emergency health care. The Prince George's County Board of Education provides for elementary and secondary education within the City. The Maryland - National Capital Park and Planning Commission contributes additional parks and recreational services within the City.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP) recognized in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the City has chosen not to do so. The more significant accounting policies established in GAAP and used by the City are discussed below.

A. Reporting Entity

Using the criteria of Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by Statement 39, management has determined that the financial statements should only include the various departments governed directly by the City Council.

B. Government-wide and Fund Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's public works, parks and recreation, general administrative services, public safety, economic development, and social services are classified as governmental activities. The City's water and sewer services are classified as business-type activities.

**CITY OF BOWIE, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

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In the government-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The City generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (public works, parks and recreation, general administrative services, etc.) that are otherwise being supported by general government revenues (general property taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public works, parks and recreation, etc.) or a business-type activity. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported as general revenues. The City does not allocate indirect expenses. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs (by function or business-type activity) are normally covered by general revenue (general property taxes, intergovernmental revenues, interest income, etc.).

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are overhead charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the costs and revenues reported for the various functions concerned.

In the fund financial statements, financial transactions and accounts of the City are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financing resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The fund statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented which briefly explains the adjustment necessary to reconcile the fund financial statements to the governmental column of the government-wide financial statements.

CITY OF BOWIE, MARYLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011

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The following is a brief description of the specific funds used by the City in FY2011.

**Governmental Funds** – Governmental funds are those through which most governmental functions typically are financed.

**General Fund** - The General Fund is the primary operating fund of the City. It is used to account for all financial resources except those properly accounted for in another fund. The principal sources of revenues for this fund are property taxes, intergovernmental grants and state shared revenues.

**Equipment Acquisition and Replacement Fund** – The Equipment Acquisition and Replacement Fund receives amounts transferred from other funds, not only to acquire and replace equipment during the current year, but to accumulate amounts appropriated each year to replace equipment scheduled for replacement in future years. The Equipment Acquisition and Replacement Fund is considered a major fund for government-wide reporting purposes.

**Capital Projects Fund** – The Capital Projects Fund accounts for all financial resources used for the acquisition or construction of major capital facilities not being financed by proprietary funds. The Capital Projects Fund is considered a major fund for government-wide reporting purposes.

**Proprietary Funds** – Proprietary Funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and payments relating to the government's business activities are accounted for through proprietary funds. The measurement focus is on determination of operating income, financial position, changes in net assets and cash flows. Operating revenues include charges for services. Operating expenses include costs of services as well as, materials, contracts, personnel, and depreciation. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

**Enterprise Fund** – The Enterprise Fund accounts for operations that are financed in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered entirely or predominantly through user charges. The City's Enterprise Fund accounts for the operations of the City's water and sewer system.

**C. Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet in the funds

CITY OF BOWIE, MARYLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011

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statements. Long-term assets and long-term liabilities are included in the government-wide statements. Operating statements of the governmental funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The government-wide statements of net assets and statements of activities, and proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these activities are included on the statement of net assets. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The statements of net assets, statement of activities, and financial statements of the Proprietary Funds are presented on the accrual basis of accounting. Under this method of accounting exchange, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash.

The fund financial statements of the General, Equipment Acquisition and Replacement, and Capital Projects Funds are maintained and reported on the modified accrual basis of accounting using the current financial resources measurement focus. Under this method of accounting, revenues are recognized in the period in which they become measurable and available. The term “available” is limited to collection within sixty days of the fiscal year-end. Property taxes are the primary source of revenues susceptible to accrual. Other revenue of material amounts which are accrued include intergovernmental revenues, interest and rental income. Building permits, fees, fines and miscellaneous revenues are recorded when received, as they are generally not measurable until actually received. Any revenues received in advance are deferred. Federal and State reimbursement-type grants are recorded as revenue when related eligible expenditures are incurred. Expenditures are recorded when the related fund liabilities are incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated for payments to be made early in the new fiscal year.

**D. Assets, Liabilities and Net Assets or Equity**

**CASH, CASH EQUIVALENTS AND INVESTMENTS**

Temporary idle cash within the various funds is combined to form a cash and investment pool. Investments and interest earnings are recorded in the individual funds. Funds available for short periods are transferred to an interest bearing bank account. Funds available for longer periods are invested in certificates of deposit or the Maryland Local Government Investment Pool. Investments are stated at fair value, in accordance with GASB Statement No. 31.

For purposes of statement presentation, all highly liquid investments with an original maturity of three months or less when acquired are considered to be cash equivalents.

CITY OF BOWIE, MARYLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011

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**TAXES RECEIVABLE**

Taxes Receivable are comprised of the uncollected taxes for the past five years. The estimated amount uncollectible of \$355,267 is equal to the total of the outstanding receivables of the four oldest years.

**ACCOUNTS RECEIVABLE**

The Water and Sewer Fund accounts receivable are comprised of the uncollected water and sewer charges for the past two years. The estimated amount uncollectible of \$1,304 is equal to the outstanding receivables of the past two years.

**UNBILLED ACCOUNTS RECEIVABLE**

The Water and Sewer Fund unbilled accounts receivable are for services rendered, but not billed for the billing period April 1, 2011, to June 30, 2011. Unbilled revenue for the fiscal year ended June 30, 2011, totals \$679,759.

**PREPAID ITEMS**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

**CAPITAL ASSETS**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at fair market value at time of receipt. Interest costs incurred in proprietary funds, related to construction of capital assets, is capitalized, if material. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	15-50
Improvements other than buildings	10-50
Machinery and equipment	5-25
Public domain infrastructure	7-100
Water distribution system	10-100
Sewage collection system	10-100



CITY OF BOWIE, MARYLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011

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**DEFERRED REVENUES**

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

Due from other governments (General Fund)	<u>Unavailable</u> <u>\$ 1,944,470</u>
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**COMPENSATED ABSENCES**

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated vacation leave balances. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. The current portion of this debt is estimated based on historical trends. Compensated absences are reported in governmental funds only if they have matured (i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement), while the proprietary funds report the liability as it is incurred.

**LONG-TERM OBLIGATIONS**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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**EQUITY CLASSIFICATIONS**

Government-wide statements – Equity is classified as net assets and displayed in three components:

- Invested in capital assets, net of related debt – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net assets – consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. At year-end, the City had no restricted net assets to report.
- Unrestricted net assets – all other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund statements – In the fund financial statements, governmental funds report the following classifications of fund balance:

- Nonspendable – Resources that are nonspendable and are not available for appropriation or are legally restricted by outside parties or creditors for use for a specific purpose. The nonspendable fund balance reported in the General Fund consists of prepaid costs (\$188,325) and long-term receivables (\$225,000).
- Restricted – Resources that have constraints placed on use by external parties such as creditors, grantors, contributors, or other levels of government. The City has not reported any restricted fund balance for the year ended June 30, 2011.
- Committed – Resources that can only be used for specific purposes due to formal action (legislation, resolution, ordinance, etc.) of the City Council, the City’s highest level of decision-making authority. Also includes resources that are committed by contract, in which existing/current resources have been specifically committed for satisfying the contract.

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Committed fund balance for governmental funds is further classified as follows:

Committed for:	General Fund	Equipment Acquisition and Replacement Fund	Capital Projects Fund	Total
Scholarship Fund	\$ 74,169	\$ -	\$ -	\$ 74,169
Friends of Belair	24,951	-	-	24,951
Institutional Network	1,789,042	-	-	1,789,042
Special Taxing Districts	27,432	-	1,636,762	1,664,194
General Government	-	-	930,058	930,058
Public Works	-	77,903	1,258,590	1,336,493
Social Services	-	-	24,896	24,896
Parks, culture and recreation	-	-	241,080	241,080
<b>Committed fund balance</b>	<b>\$ 1,915,594</b>	<b>\$ 77,903</b>	<b>\$ 4,091,386</b>	<b>\$ 6,084,883</b>

- Assigned – Resources that can only be used for specific purposes due to the City’s intent but are not restricted or committed and may be subject to change by the City Council or management.

Assigned fund balance for governmental funds is further classified as follows:

Assigned for:	General Fund	Equipment Acquisition and Replacement Fund	Capital Projects Fund	Total
Subsequent year's budget	\$ 998,900	\$ 6,354,370	\$ 4,638,591	\$ 11,991,861
General Government	114,220	3,000	-	117,220
Economic Development	4,480	-	-	4,480
Public Safety	4,923	-	-	4,923
Public Works	145,723	-	-	145,723
Social Services	5,150	-	-	5,150
Parks, culture and recreation	25,378	-	-	25,378
<b>Assigned fund balance</b>	<b>\$ 1,298,774</b>	<b>\$ 6,357,370</b>	<b>\$ 4,638,591</b>	<b>\$ 12,294,735</b>

- Unassigned – A residual classification for the General Fund, and for negative fund balance in a governmental fund, other than the General Fund. This classification consists of resources that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund.

The City has also adopted a minimum fund balance policy for the general fund which instructs management to conduct the business of the City in such a manner that available fund balance is at least equal to or greater than 25% of budgeted expenditures. Any portion of the general fund balance in excess of 25% of budgeted expenditures may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the City in a future budget.

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The City generally considers committed amounts to be used first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

**E. Revenues, Expenditures and Expenses**

**PROPERTY TAX REVENUE RECOGNITION**

Property tax revenue is recognized in the year in which taxes have been levied and become available to meet current expenditures. Recognized revenues are expected to be collected within the current period.

**COMPENSATED ABSENCES**

Employees are permitted to accumulate earned but unused vacation leave. All vacation leave is accrued when incurred in the government-wide and proprietary fund financial statements. Annual leave is adjusted to current salary cost at June 30, plus salary-related payments associated with the payment of compensated absences. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Annual leave payable at termination of employment is limited to 30 days.

As part of a flexible benefit plan, all employees receive six personal days each year. The personal days are not accrued and unused days are forfeited on December 31. The employees hired prior to July 1, 1988, who elected not to participate in the flexible benefit plan, accumulate sick leave at the rate of 1 1/4 days per month or 15 days a year. There is no restriction on the accumulation of sick leave. However, no payment is made for the accumulated amount upon separation and no accrued liability is recorded.

**STATEMENT PRESENTATION**

The Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds is prepared on a basis consistent with generally accepted accounting principles under which method encumbrances are considered a reservation of fund balance and charged to operations in the year liquidated. All intergovernmental revenues applicable to these encumbrances are recorded as unearned for the current period, and earned for the subsequent period in which the reservation of fund balance is liquidated.

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2. Reconciliation of Government-wide and Fund Financial Statements

A. A summary reconciliation of the difference between total fund balances as reflected on the governmental funds balance sheet and the net assets for governmental activities as shown on the government-wide statement of net assets is presented on the face of the governmental funds balance sheet. The asset and liability elements which comprise the reconciliation difference stem from governmental funds using the current financial resources measurement focus and the modified accrual basis of accounting while the government-wide financial statements use the economic resources measurement focus and accrual basis of accounting.

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Capital assets	\$ 123,744,212
Less: Accumulated depreciation	(33,864,044)
Total	\$ 89,880,168

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:

Due from other governments	\$ 1,944,470
Unamortized bond issuance costs	143,104
Total	\$ 2,087,574

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Long-term debt	\$ 15,136,181
Compensated absences	1,313,430
Other Post Employment Benefits	313,073
Accrued interest payable	274,641
Total	\$ 17,037,325

3. Detailed Notes on All Funds

ASSETS, LIABILITIES AND FUND EQUITY

A. Cash, Cash Equivalents and Investments - The State of Maryland Code allows municipalities to invest surplus funds in financial institutions within the State of Maryland if the financial institution provides collateral with a market value that equals or exceeds the amount by which a deposit exceeds the deposit insurance. Collateral is limited to obligations of

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or guarantees by the United States government; State, County or Municipal Obligation; obligations of the Inter-American Development Bank; or obligations of the World Bank. Municipalities may also invest in federal obligations or repurchase agreements those obligations secure. The State of Maryland Code requires municipalities have an investment policy. By resolution passed by the City Council, an investment policy has been adopted. Management has decided to restrict investments to the use of an interest bearing cash account for readily available funds, and the Maryland Local Government Investment Pool or certificates of deposit on a pooled basis for cash amounts that are available for longer periods. Only financial institutions covered by the Federal Deposit Insurance Corporation (FDIC) are used.

Investments are stated at fair value, in accordance with GASB Statement No. 31. All accrued interest is recorded as a receivable for the period earned and reported separately on the balance sheet.

For purposes of this note disclosure, cash and cash equivalents are classified as either deposits or investments. Deposits include cash in checking accounts, savings accounts, certificates of deposit and undeposited cash. Investments consist of amounts invested in the Maryland Local Government Investment Pool.

Deposits - At fiscal year end, the carrying amount of the City's deposits was \$2,092,635, and the bank balances were \$2,299,809. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2011, the City's bank balances were not exposed to any custodial credit risk since all deposits were fully collateralized. Of the bank balances, \$750,000 was covered by federal depository insurance, and \$1,549,809 was covered by collateral pledged to the City and held in the City's name by the pledging bank's trust department. The City had undeposited cash and checks in the amount of \$12,495.

Investments - Statutes authorize the City to invest in obligations of the United States government, federal government agency obligations, repurchase agreements, certificates of deposit or time deposits insured by the FDIC, and the Maryland Local Government Investment Pool (MLGIP), which invests in United States Treasuries.

The City's investments are pooled in the State created Maryland Local Government Investment Pool. These funds are part of an external investment pool. The investments at June 30, 2011, are shown below:

	<u>Carrying Amount</u>	<u>Fair Value</u>
General Fund	\$ 30,410,099	\$ 30,410,099
Equipment Acquisition and Replacement Fund	6,362,444	6,362,444
Capital Projects Fund	8,909,696	8,909,696
Water and Sewer Fund	<u>751,458</u>	<u>751,458</u>
Total - MLGIP	<u>\$ 46,433,697</u>	<u>\$ 46,433,697</u>

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There is no custodial credit risk for these investments as the amounts are fully collateralized. In addition, there is no interest rate risk as the interest rates are adjusted periodically. It should also be noted that the City does not have any foreign currency risk associated with any investments.

Article 95 §22G of the Annotated Code of Maryland established the Maryland Local Government Investment Pool. The Pool, under the administrative control of the State Treasurer, is operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended, and is managed by PNC Institutional Investments. The pool has an AAAM rating from Standard and Poor's Corporation and maintains a \$1.00 per share value. An MLGIP Advisory Committee of current participants was formed to review, on a quarterly basis, the activities of the pool and to provide suggestions to enhance the pool. The fair value of the City's investment in the pool is equal to the fair value of its shares in the pool.

- B. Property Taxes - Real and personal property taxes are levied at a rate consistent with State law requiring that the State Department of Assessments and Taxation's constant yield tax rate cannot be exceeded without notice to the public of such an intent, and then, only after public hearings are held. The City Council levies the rate, adopted in the appropriations ordinance, based on the assessed value of the property as determined by the State Department of Assessments and Taxation.

By action of the Maryland General Assembly, triennial assessment in the State became effective in fiscal years after 1980. This act provides that only 1/3 of all property be reassessed every year with all property being reassessed every three years. The assessment increase is phased in over the three-year period. Taxable assessment increases were limited to 5 percent this fiscal year.

Taxes are levied as of July 1, become a lien on that date, and are due and payable by October 1, except principal residences, which are due and payable in semiannual installments at July 1 and December 31. Semiannual installments due on December 31 become delinquent January 1. Monthly interest at the rate of 2/3 of 1 percent and a penalty of 1 percent is added to all taxes unpaid. Sale of property for delinquent taxes or tax liens is conducted by the County during the month of May. Delinquent taxes at June 30, 2011, amounting to \$355,267 are 1.3 percent of levy. The City's tax rates for fiscal year 2011 were \$.400 per \$100 of assessed valuation for real property and \$1.00 per \$100 of assessed valuation for business personal property.

- C. Due from/to Other Governments - The following represent amounts due as of June 30, 2011, from/to other governmental units to the City of Bowie:

1. General Fund - Due from Other Governments

United States Government – MAYSB Grant	\$ 17,689
United States Government – Senior Citizen Housing Maintenance Assistance Program	51,105
State of Maryland -- Admissions and Amusement Tax	159,954
State of Maryland -- Income Tax	2,792,585
State of Maryland -- Motor Vehicle and Highway User Revenues	35,978

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State of Maryland -- Traders and Peddlers License Fees	7,171
State of Maryland -- Racing Tax	9,187
Prince George's County -- Youth Program	16,821
Prince George's County -- Landfill Rebates	36,559
Prince George's County -- Hotel/Motel Tax	65,583
Maryland-National Capital Park and Planning Commission	<u>78,700</u>
Total	<u>\$ 3,271,332</u>

**2. General Fund - Due to Other Governments**

State of Maryland -- Other	\$ 16,770
Prince George's County -- Bowie Center for the Performing Arts	13,333
Prince George's County -- Landfill Tipping Fees	60,744
Prince George's County -- Real Property Tax Refund	122,090
Prince George's County -- Other	<u>343</u>
Total	<u>\$ 213,280</u>

**3. Equipment Acquisition and Replacement Fund – Due from Other Governments**

United States Government – Police Technology Grant	<u>\$ 86,810</u>
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**4. Water and Sewer Fund – Due to Other Governments**

District of Columbia -- Other	40
State of Maryland -- Maryland Environmental Services	197
State of Maryland -- Bay Restoration Fund	<u>60,197</u>
Total	<u>\$ 60,434</u>

**D. Notes Payable** – In March 2010, the City received a forgivable loan from the Open Door Housing Fund (ODHF) in the amount of \$225,000 to fund the Senior Citizen's Green Housing Rehabilitation Program (SCGHRP). The program provides grants to senior citizens to rehabilitate owner-occupied homes by promoting energy conservation and efficiency technologies. The ODHF obtained a loan from the Maryland Department of Housing and Community Development to finance the forgivable loan to the City.

The amount of the grant from the City to the homeowner shall be forgiven at the expiration of five years provided that the homeowner has not sold or otherwise transferred the property. Repayment of the forgivable loan shall be waived and forgiven by ODHF once funds are properly distributed to SCGHRP grant recipients. The rate of interest for the loan is zero percent. The distribution period of grant funds by the City to homeowners was January 1, 2010, to December 31, 2010 and the entire loan amount was distributed to homeowners in the form of grants within 30 days of the end of the distribution period.



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**E. Capital Assets**

Capital asset activity for the year ended June 30, 2011, was as follows:

*Governmental Activities Capital Assets:*

Class	Balance June 30, 2010	Additions	Deductions	Reclass	Transfers	Balance June 30, 2011
<b>Capital assets, not being depreciated:</b>						
Land	\$ 14,043,509	\$ 369,281	\$ -	\$ -	\$ -	\$ 14,412,790
Construction in Progress	8,579,447	543,254	-	-	(7,621,731)	1,500,970
Historical Treasures	204,550	94,889	-	-	25,000	324,439
Total capital assets, not being depreciated	<u>22,827,506</u>	<u>1,007,424</u>	<u>-</u>	<u>-</u>	<u>(7,596,731)</u>	<u>16,238,199</u>
<b>Capital assets, being depreciated:</b>						
Building & improvements	30,881,662	12,275,062	-	-	7,596,731	50,753,455
Improvements other than buildings	11,384,074	85,460	-	-	-	11,469,534
Machinery & equipment	10,507,667	3,498,789	(981,439)	-	-	13,025,017
Infrastructure	30,248,002	1,235,683	-	-	-	31,483,685
Other Capital Assets	666,115	108,207	-	-	-	774,322
Total capital assets, being depreciated	<u>83,687,520</u>	<u>17,203,201</u>	<u>(981,439)</u>	<u>-</u>	<u>7,596,731</u>	<u>107,506,013</u>
<b>Less: accumulated depreciation for:</b>						
Building & improvements	(9,419,497)	(951,958)	-	-	-	(10,371,455)
Improvements other than buildings	(4,449,777)	(482,916)	-	-	-	(4,932,693)
Machinery & equipment	(6,421,626)	(1,220,469)	859,127	-	-	(6,782,968)
Infrastructure	(10,373,460)	(911,854)	-	-	-	(11,285,314)
Other Capital Assets	(423,909)	(67,705)	-	-	-	(491,614)
Total accumulated depreciation	<u>(31,088,269)</u>	<u>(3,634,902)</u>	<u>859,127</u>	<u>-</u>	<u>-</u>	<u>(33,864,044)</u>
Total capital assets, being depreciated, net	<u>52,599,251</u>	<u>13,568,299</u>	<u>(122,312)</u>	<u>-</u>	<u>7,596,731</u>	<u>73,641,969</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 75,426,757</u>	<u>\$ 14,575,723</u>	<u>\$ (122,312)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,880,168</u>

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**E. Capital Assets (continued)**

*Business-type Activities Capital Assets:*

Class	Balance June 30, 2010	Additions	Deductions	Reclass	Transfers	Balance June 30, 2011
<b>Capital assets, not being depreciated:</b>						
Land	\$ 1,489,192	\$ -	\$ -	\$ -	\$ -	1,489,192
Construction in Progress	9,141,982	9,982	-	-	(8,651,430)	500,534
Total capital assets, not being depreciated	<u>10,631,174</u>	<u>9,982</u>	<u>-</u>	<u>-</u>	<u>(8,651,430)</u>	<u>1,989,726</u>
<b>Capital assets, being depreciated:</b>						
Building & improvements	10,054,264	1,820,775	-	-	8,651,430	20,526,469
Improvements other than buildings	6,016,894	15,745	-	-	-	6,032,639
Machinery & equipment	3,909,038	387,253	(83,801)	-	-	4,212,490
Infrastructure	9,073,311	-	-	-	-	9,073,311
Other Capital Assets	-	-	-	-	-	-
Total capital assets, being depreciated	<u>29,053,507</u>	<u>2,223,773</u>	<u>(83,801)</u>	<u>-</u>	<u>8,651,430</u>	<u>39,844,909</u>
<b>Less: accumulated depreciation for:</b>						
Building & improvements	(5,807,324)	(300,171)	-	-	-	(6,107,495)
Improvements other than buildings	(2,750,610)	(269,657)	-	-	-	(3,020,267)
Machinery & equipment	(3,144,216)	(110,894)	83,801	-	-	(3,171,309)
Infrastructure	(4,619,430)	(179,932)	-	-	-	(4,799,362)
Other Capital Assets	-	-	-	-	-	-
Total accumulated depreciation	<u>(16,321,580)</u>	<u>(860,654)</u>	<u>83,801</u>	<u>-</u>	<u>-</u>	<u>(17,098,433)</u>
Total capital assets, being depreciated, net	<u>12,731,927</u>	<u>1,363,119</u>	<u>-</u>	<u>-</u>	<u>8,651,430</u>	<u>22,746,476</u>
<b>Business-type activities capital assets, net</b>	<u><u>\$ 23,363,101</u></u>	<u><u>\$ 1,373,101</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 24,736,202</u></u>

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Depreciation expense was charged to functions/programs of the City for the fiscal year ended June 30, 2011:

<b>Governmental activities:</b>	
General government	\$ 787,269
Social services	34,195
Public works	1,292,024
Public safety	440,557
Parks, culture & recreation	1,080,857
Total	<u>\$ 3,634,902</u>
<b>Business-type activities:</b>	
Water	\$ 435,912
Wastewater	424,742
Total	<u>\$ 860,654</u>

F. Construction and Other Significant Commitments - As of June 30, 2011, the City had outstanding construction and other commitments in excess of \$100,000, as follows:

<u>Project</u>	<u>Original Contract Amounts</u>	<u>Remaining Contract Amounts</u>
New City Hall	\$ 19,781,778	\$ 930,058
Solid Waste Administration Facility	949,026	876,119
Public Works Main Facility	344,535	344,281
Church Road Park	146,354	132,689
Total	<u>\$ 21,221,693</u>	<u>\$ 2,283,147</u>

G. Pension Plans - The City provides coverage for all its employees under the Federal Social Security System. In addition, the City established a defined contribution employees savings plan in accordance with Section 401(k) of the Internal Revenue Code. The City has the authority to establish and amend the benefit provisions of the savings plan, including contribution requirements of the employees and employer. The trustee for the plan is the ICMA Retirement Corporation. Plan investments are reported at fair value. The fair value of investments is based on quoted market prices.

The defined contribution plan establishes individual accounts for each participant and specifies how the contributions to the participants' accounts are to be determined. In a defined contribution plan, the benefits a participant receives will depend on the amount contributed to the participant's account and the earnings from investment of these contributions.

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All City employees, except for police officers, who work in a full-time status and have one year of service, may choose to participate. To receive a City matching contribution, a minimum employee contribution of 1% of gross pay, exclusive of overtime or bonuses, is required by the plan. The City matches employee contributions on a variable percentage scale, based upon years of service, to a maximum of 6%.

A participant is at all times vested in his own contributions to the plan, plus any interest earned on these contributions. A participant's vested percentage in the City's contribution amount is determined from the following table based on years of service:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 2	0%
2	25%
3	50%
4	75%
5 or more	100%

An additional employer contribution of 4 % of gross pay, exclusive of overtime and bonuses, is made for all employees with one year of service, who complete 1,000 hours of service during the plan year and are employed on the last day of the plan year. No contributions are required by the employees to receive this 4 % annual contribution. At the time of making the contribution, the City may, at its discretion, designate that all or a portion of the contribution is fully vested when made. In the absence of such a designation, the vesting schedule for the 4 % contribution is as follows:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 2	0%
2	25%
3	50%
4	75%
5 or more	100%

The plan allows withdrawals for death, disability, retirement and hardship. The plan also has a loan option to enable participants to borrow from their own contributions. Loans may not exceed the lesser of: (1) Fifty thousand dollars (\$50,000) reduced by the excess of the highest outstanding loan balance during the one year period preceding the date of the loan over the outstanding balance of loans on the day the loan is made, or (2) the greater of \$10,000 or 50 percent of the participant's vested interest in the plan. All loans must have a repayment schedule not to exceed five years. The plan year is from January 1 to December 31.

Employee contributions and the City's matching funds are transferred to the ICMA Retirement Corporation on a bi-weekly basis. The annual 4% City contribution was made in March following the plan year end. The March 2011

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contribution was \$468,641. The City's required and actual matching contributions for fiscal year 2011 amounted to \$499,345. Employee contributions totaled \$771,272 in fiscal year 2011.

The City also maintains a 401(a) Money Purchase Plan. The trustee for the plan is the ICMA Retirement Corporation. Participation is limited exclusively to the City Manager. Eligibility commences upon employment. Under the plan, the City contributes 10% of gross salary, exclusive of bonuses. Employer contributions are transferred to the ICMA Retirement Corporation on a bi-weekly basis. Contributions are 100% vested in the participant's account at all times. The City has the authority to establish and amend the benefit provisions of the money purchase plan, including contribution requirements of the employee and employer.

ICMA Retirement Corporation held no securities of the City on behalf of the pension plan during or at the close of the fiscal year.

On July 7, 2006, the City joined the State administered Law Enforcement Officers' Pension System (LEOPS), a multiple-employer cost-sharing defined benefit pension system, to provide a retirement plan for police officers. The LEOPS was established on July 2, 1990 to provide retirement allowances and other benefits for State and local law enforcement officers. A member of the Law Enforcement Officers' Pension is eligible for full retirement benefits upon the earlier of attaining age 50 or accumulating 25 years of eligibility service regardless of age. The annual retirement allowance for a member who is covered under the retirement plan provisions equals 2.3% of the member's average final compensation (AFC) multiplied by the number of years of accumulated creditable service up to 30 years, plus 1.0% of the member's AFC multiplied by the number of years of accumulated creditable service in excess of 30 years. For members subject to the pension provisions, full service pension allowances equal 2.0% of AFC up to a maximum benefit of 60% (30 years of credit). The total contribution for fiscal year 2011 was \$921,792 of which employees contributed \$101,744 along with the City's required contribution of \$820,048.

- H. Deferred Compensation Plan - The City offers substantially all its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The plan permits participating employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.
- I. Compensated Absences - Compensated absences at June 30, 2011, totaled \$1,313,430 for governmental activities and \$158,248 for business-type activities, of which \$1,015,978 and \$144,536, respectively, were due within one year.

As part of the flexible benefit plan, all employees receive six non-accruable personal leave days each year instead of accruing sick leave. Current employees were offered the option of a buy back of accrued sick leave if they transfer to the personal leave benefit. Employees hired prior to July 1, 1988, and who elected to stay with the original sick leave option, accumulate sick leave at the rate of 1 1/4 days per month or 15 days a year. There is no restriction on the amount that may be accumulated. However, no payment is made for the accumulated amount upon separation and no

CITY OF BOWIE, MARYLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011

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accrued liability is recorded. The total dollar value of accumulated sick leave at June 30, 2011, was \$346,221 computed at the rates of pay as of that date.

**J. Other Post-Employment Benefits (OPEB)**

**Plan Description**

The City offers a single-employer post-employment health care plan, including prescription coverage, in addition to the pension benefits described in Note G. Retirees are not eligible for coverage under the City's vision and dental plans. All employees who retire from the City at or after age 55, plus have a number of years of service when combined with the age at retirement, that equals the number 80, and has been covered under the City's medical plan offered to active employees for at least the 12 months immediately preceding retirement, are eligible to receive post-employment health care benefits. The retiree pays 50 percent of the cost of premiums and the City pays 50 percent of the cost. Retiree coverage ends the first day of the month following the date the retiree becomes eligible for Medicare. The retiree's spouse is also eligible for this coverage. If at the time of retirement, the retiree has any dependents included in their health care policy, the dependents' coverage will cease, but may be eligible for COBRA to continue health care benefits and must pay 100% of the cost of the plan. No retirees received benefits during the year.

The City reserves the right to modify, amend, or terminate the plan at any time with or without notice.

No stand alone financial statements are issued for this OPEB Plan.

**Basis of Accounting**

The OPEB Plan's financial information is prepared on the accrual basis of accounting. Expenditures are recognized on the accrual basis as retirees' insurance costs are incurred. For FY2011, the Plan had no insurance costs.

**Funding Policies and Funded Progress**

The OPEB Plan's funding policy provides for the City to contribute to the plan the actuarially determined annual required contribution (ARC). As of June 30, 2011, the actuarial accrued liability for benefits was \$604,000, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$15,379,282, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 0.0%. The City's contributions are funded on a pay-as-you-go-basis.

The schedules of funding progress presented as required supplementary information (RSI) following the notes to financial statements, present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The information presented

**CITY OF BOWIE, MARYLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

relates to the plan as a whole and presents information relative to understanding the scale of the information as it relates to the City.

The required contribution amount and OPEB expense per the most recent actuarial valuation report with a valuation date of August 23, 2011, is presented below:

	<u>Total</u>	<u>Police</u>	<u>Water &amp; Sewer</u>	<u>Other</u>
<b>Net OPEB Obligation (NOO) - June 30, 2010</b>	<u>\$ 222,603</u>	<u>\$ 78,013</u>	<u>\$ 20,530</u>	<u>\$ 124,060</u>
<b>Annual OPEB Cost (AOC)</b>				
ARC	121,000	51,000	10,000	60,000
Adjustment to ARC	(9,000)	(3,000)	(1,000)	(5,000)
Interest on NOO at beg. of year	9,000	3,000	1,000	5,000
<b>Total AOC</b>	<u>121,000</u>	<u>51,000</u>	<u>10,000</u>	<u>60,000</u>
<b>Contributions</b>				
Estimated pay-as-you-go costs	-	-	-	-
Pre-funding	-	-	-	-
<b>TOTAL Contributions</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net OPEB Obligation (NOO) - June 30, 2011</b>	<u>\$ 343,603</u>	<u>\$ 129,013</u>	<u>\$ 30,530</u>	<u>\$ 184,060</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2011 and the two preceding years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2009	\$ 113,000	4.1%	\$ 108,316
6/30/2010	114,287	0.0	222,603
6/30/2011	121,000	0.0	343,603

**CITY OF BOWIE, MARYLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

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**Actuarial Assumptions**

The actuarial methods and significant assumptions used by the actuary are summarized in this note to conform to the disclosure requirements for GASB statements 43 and 45. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates made about the future.

The projection of benefits are based on the types of benefits provided under the substantive plan at the time of each valuation and on the pattern of sharing of benefit costs between the employer and plan members to that point.

Actuarial calculations reflect a long-term perspective, and consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities.

Actuarial valuation date	August 23, 2011
Actuarial cost method	Projected Unit Credit, with linear pro-ration to assumed benefit commencement
Amortization method	28 year period as a level of percentage of payroll
Election rate	75% of eligible retirees
Benefits not valued	COBRA, limited to 18 months by law
Actuarial trend assumption:	Medical and drug base trend rate applied to FY2011 is 7.5% and the sensitivity trend rate applied to FY2011 is 8.5%. These rates decrease in subsequent years, reaching an ultimate rate of 4.2% and 5.2% for the base trend rate, and the sensitivity trend rate.
Interest assumption	Discount rate of 4.0%
Payroll growth	3.5%
Inflation rate	3.2%

- K. **Long - Term Debt** – The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities and are direct obligations and pledge the full faith and credit of the City.



CITY OF BOWIE, MARYLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011

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General obligation bonds currently outstanding are as follows:

**Governmental Activities**

1. **2009 Public Improvement Bonds** – Original issue \$15,500,000, issuance premium \$504,959, equal amounts of principal maturing each year, starting on July 1, 2010 until July 1, 2029, interest rates vary from 2% to 5% per annum payable on July 1 and January 1, total interest payable to maturity is \$5,539,797, unamortized premium \$411,181. \$15,136,181

The City has obtained long-term financing with the State of Maryland for its business-type activities. The Water and Sewer enterprise fund entered into the State’s revolving loan program in order to modernize the City’s water and wastewater plants. The long-term loans are direct obligations and pledge the full faith and credit of the City. However, these revolving loans will be retired from revenues of the Water and Sewer enterprise fund.

State revolving loans outstanding as of June 30, 2011, are composed of the following issues:

**Business-type Activities**

1. **State Revolving Loan-Water Quality** - Amount drawn \$2,241,000, matures in twenty level annual installments starting February 1, 2002; interest rate at 2.5% per annum payable on August 1 and February 1; total interest payable to maturity is \$179,398. Administrative fees are 5.0% of total debt service, totaling \$127,905 over the total loan period. \$1,258,142
  2. **State Revolving Loan-Drinking Water** - Amount drawn \$1,677,500; matures in twenty level annual installments starting February 1, 2002; interest rate at 2.5% per annum payable on August 1 and February 1; total interest payable to maturity is \$134,288. Administrative fees are 5.0% of total debt service, totaling \$96,784 over the total loan period. 941,781
  3. **State Revolving Loan-Water Quality** – Approved amount \$1,773,466, of which \$1,666,413 has been drawn and is outstanding in the Water and Sewer Fund, matures in twenty level annual installments starting February 1, 2012; interest rate at 1% per annum payable on August 1 and February 1; total interest payable to maturity is estimated to be \$202,306. Administrative fees are 5.0% of total debt service, and are estimated to total \$98,789 over the total loan period. 1,666,413
- Total State revolving loans** \$3,866,336

**CITY OF BOWIE, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

Annual debt service requirements to maturity for general obligation bonds and State revolving loans are as follows. Amounts are exclusive of \$1,666,413 outstanding State Revolving Loan-Water Quality because repayment schedules will not be established until the project has been closed out.

Fiscal Year	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2012	\$ 775,000	\$ 541,531	\$ 196,362	\$ 54,999
2013	775,000	526,031	201,272	50,089
2014	775,000	508,594	206,303	45,058
2015	775,000	479,531	211,461	39,900
2016	775,000	441,750	216,747	34,614
2017-2021	3,875,000	1,763,126	1,167,778	89,026
2022-2026	3,875,000	1,022,030	-	-
2027-2031	3,100,000	257,204	-	-
Total	<u>\$14,725,000</u>	<u>\$ 5,539,797</u>	<u>\$ 2,199,923</u>	<u>\$ 313,686</u>

Bond premiums are amortized over the life of the debt. The annual amortization of bond premiums for general obligation bonds is as follows:

Fiscal Year	Amortized Bond Premium
2012	\$ 43,282
2013	40,878
2014	38,473
2015	36,069
2016	33,664
2017-2021	132,251
2022-2026	72,137
2027-2029	14,427
Total	<u>\$ 411,181</u>

**CITY OF BOWIE, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

Changes in long-term liabilities – Long-term liability activity for the year ended June 30, 2011, was as follows:

	Balance as of June 30, 2010	Increases	Decreases	Net Amortization of Bond Premium	Balance as of June 30, 2011	Remaining Unamortized Bond Premium June 30, 2020	Due within one year
<b>Governmental activities:</b>							
General obligation bonds	\$ 15,956,868	\$ -	\$ (775,000)	\$ (45,687)	\$ 15,136,181	\$ 411,181	\$ 775,000
OPEB liability	202,073	111,000	-	-	313,073	-	-
Compensated absences	1,213,135	100,295	-	-	1,313,430	-	1,015,978
Total Governmental activities	<u>\$ 17,372,076</u>	<u>\$ 211,295</u>	<u>\$ (775,000)</u>	<u>\$ (45,687)</u>	<u>\$ 16,762,684</u>	<u>\$ 411,181</u>	<u>\$ 1,790,978</u>
<b>Business-type activities:</b>							
State revolving loans	\$ 3,565,225	\$ 493,684	\$ (192,573)	\$ -	\$ 3,866,336	\$ -	\$ 281,532
OPEB liability	20,530	10,000	-	-	30,530	-	-
Compensated absences	150,664	7,584	-	-	158,248	-	144,536
Total Business-type activities	<u>\$ 3,736,419</u>	<u>\$ 511,268</u>	<u>\$ (192,573)</u>	<u>\$ -</u>	<u>\$ 4,055,114</u>	<u>\$ -</u>	<u>\$ 426,068</u>

The liabilities for governmental activities are liquidated by the general fund, while liabilities for business-type activities are liquidated by the water and sewer fund.

- L. **Legal Debt Margin** - Neither Maryland State law nor the City Charter mandates a limit on municipal debt. The City Council adopted a policy to limit debt, exclusive of amounts being repaid by the Water and Sewer System, to 0.8 percent of assessed value of taxable property. At June 30, assessed value of such property totals \$6,378,484,469, the debt limit was \$51,027,876 and the amount of debt applicable to the limit was \$14,775,000, or approximately 29% of the debt limit. The debt policy also states that the ratio of debt service expenditures as a percent of general fund revenues, exclusive of debt repaid by the Water and Sewer Fund, shall not exceed 10 percent. In FY2011, the ratio of debt service expenditures, totaling \$1,332,806, as a percentage of general fund revenues, totaling \$44,109,553, was 3 percent.
- M. **Rental Income** – The operation of the City’s golf course has been contracted to outside operators since September 30, 1981. The term of the current contract is twenty-three years, commencing January 15, 1993, and expiring September 30, 2016. The monthly rental fee shall increase from \$6,000 to \$7,000 on October 1, 2011.
- N. **Rental Income - Tower Leases** – The City has entered into water tower lease agreements with various cellular phone companies commencing on varying dates, in which the leases allow for the placement of cellular antennas and panels on the City’s water tower. In addition to the initial five year lease term for each lease, each lease allows for three, five year renewal periods to be renewed at the discretion of the lessee, in which the leasing period, base rent, and annual

**CITY OF BOWIE, MARYLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

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rent increase varies for each cellular phone company that has an established water tower lease agreement with the City. During fiscal year 2011, the City earned \$261,060 from the water tower leases. The following schedule presents a summary of the minimum future tower lease income.

Fiscal Year	Tower Lease Income
2012	\$ 183,170
2013	91,709
2014	39,499
2015	-
2016	-
Total	\$ 314,378

**4. Risk Management**

On July 1, 1987, the City joined the Local Government Insurance Trust (LGIT) sponsored by the Maryland Municipal League (MML) and the Maryland Association of Counties. The Local Government Insurance Trust is a self-insurance pool offering General Liability, Excess Liability, Business Auto Liability, Police Legal Liability, and Public Official Liability.

LGIT is capitalized at an actuarially determined level to provide financial stability for its local government members and to reduce the possibility of assessments. The Trust is owned by the participating cities and counties and managed by a Board of Trustees elected by the members. Annual premiums are assessed for the various policy coverages. During fiscal year 2011, the City paid premiums of \$286,929 to the trust.

**5. Interfund Transfers**

Interfund transfers for the year ended June 30, 2011, consisted of the following:

Transfer to General Fund from Water and Sewer Fund	\$ 364,300
Transfer to Equipment Acquisition and Replacement Fund from General Fund	1,530,221
Transfer to Capital Projects Fund from General Fund	3,090,700

Transfers are used to (1) move revenues from the fund that budget requires to collect them to the fund that budget requires to expend them, or (2) move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF BOWIE, MARYLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011

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6. Summary Disclosure of Significant Contingencies and Commitments

- A. The City is party to legal proceedings which normally occur in governmental operations. The legal proceedings are not, in the opinion of the City Attorney, likely to have a material, adverse impact on the financial position of the City as a whole.
- B. The City receives financial assistance from the U.S. Government and the State of Maryland in the form of grants. Entitlement to grant resources is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable Federal and State regulations, including the expenditure of the resources for eligible purposes. Some grants are subject to financial and compliance audits in accordance with grantor's requirements. Any disallowances as a result of these audits become a liability of the City. As of June 30, 2011, the City estimates that no material liabilities will result from such audits.

7. New Governmental Accounting Standards Board (GASB) Standard

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to the year ended June 30, 2011.

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the City:

- GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements", will be effective for the City beginning with its year ending June 30, 2013. This Statement codifies all sources of generally accepted accounting principles for state and local governments so that they derive from a single source.

8. Subsequent Events

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the City through October 31, 2011 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.



*“Growth, Unity, Progress”*

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF BOWIE**  
**Schedule of Funding Progress**  
**for the Retiree Health Plan**

Schedule of funding progress (unaudited) for the City's Post-employment Benefits Plan for the prior two years (GASBS No. 45 was implemented in the year ended June 30, 2009):

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b - a) / c]
5/15/2009	\$ -	\$ 568,000	\$ 568,000	0.0%	\$ 14,174,381	4.0%
5/15/2010	-	589,037	589,037	0.0	14,613,277	4.0
7/1/2010	-	604,000	604,000	0.0	15,379,282	3.9



CITY OF BOWIE  
 Budgetary Comparison Schedule (Non-GAAP Budgetary Basis)  
 General Fund  
 For The Year Ended June 30, 2011

(Page 1 of 2)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 26,816,000	\$ 26,816,000	\$ 27,571,427	\$ 755,427
Licenses and permits	367,000	367,000	350,163	(16,837)
Intergovernmental revenues	8,119,800	8,974,200	9,637,865	663,665
Fees and fines	2,353,300	3,303,300	5,040,208	1,736,908
Contributions	123,000	123,000	149,192	26,192
Interest income	65,300	65,300	118,265	52,965
Rental income	354,000	354,000	338,864	(15,136)
Other revenues	113,000	313,000	539,269	226,269
Total Revenues	38,311,400	40,315,800	43,745,253	3,429,453
<b>Expenditures and encumbrances:</b>				
<b>General Government</b>				
City Council	248,200	252,800	248,872	3,928
City Manager	1,268,600	1,897,700	1,518,579	379,121
Human Resources	348,200	348,200	330,639	17,561
Elections	200	200	-	200
Legal Services	240,000	240,000	225,083	14,917
Public Information	662,200	662,200	592,686	69,514
City Clerk	131,200	131,200	121,895	9,305
Finance	825,000	825,000	807,835	17,165
Information Technology	1,530,100	1,530,100	1,394,155	135,945
Community Services	567,900	548,000	495,394	52,606
Public Buildings and Grounds	686,900	667,700	540,999	126,701
Planning	461,900	496,900	496,901	(1)
Total General Government	6,970,400	7,600,000	6,773,038	826,962
<b>Economic Development</b>	344,300	344,300	256,732	87,568
<b>Public Safety</b>				
Housing Inspection and Code Compliance	587,100	587,100	551,644	35,456
Emergency Management	252,400	252,400	226,192	26,208
Police Department	6,289,600	7,211,400	6,868,459	342,941
Animal and Disease Control	251,300	251,300	212,003	39,297
Total Public Safety	7,380,400	8,302,200	7,858,298	443,902
<b>Social Services</b>				
Senior Citizen Services	1,112,100	1,112,100	955,057	157,043
Youth Services Bureau	889,200	985,700	932,967	52,733
Total Social Services	\$ 2,001,300	\$ 2,097,800	\$ 1,888,024	\$ 209,776

(Continued)

CITY OF BOWIE  
 Budgetary Comparison Schedule (Non-GAAP Budgetary Basis)  
 General Fund  
 For The Year Ended June 30, 2011

(Page 2 of 2)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Public Works</b>				
Administrative	\$ 991,200	\$ 1,005,200	\$ 964,618	\$ 40,582
Equipment Maintenance and Garage	934,200	934,200	822,928	111,272
Solid Waste	5,522,400	5,615,300	4,920,481	694,819
Street Maintenance	4,674,700	4,835,000	4,443,623	391,377
Stormwater Management	466,200	466,200	413,015	53,185
<b>Total Public Works</b>	<u>12,588,700</u>	<u>12,855,900</u>	<u>11,564,665</u>	<u>1,291,235</u>
<b>Parks, Culture and Recreation</b>				
Recreation	1,095,500	1,095,500	995,678	99,822
Bowie Playhouse	117,600	125,400	113,524	11,876
Parks and Grounds	2,267,700	2,267,700	2,196,613	71,087
Ice Arena	879,200	929,200	858,552	70,648
Historic Properties and Museums	572,200	572,200	451,465	120,735
Gymnasium	558,000	589,500	533,140	56,360
<b>Total Parks, Culture and Recreation</b>	<u>5,490,200</u>	<u>5,579,500</u>	<u>5,148,972</u>	<u>430,528</u>
<b>Debt Service</b>	<u>1,337,100</u>	<u>1,337,100</u>	<u>1,332,806</u>	<u>4,294</u>
<b>Nondepartmental</b>	<u>575,000</u>	<u>575,000</u>	<u>309,494</u>	<u>265,506</u>
<b>Total expenditures and encumbrances</b>	<u>36,687,400</u>	<u>38,691,800</u>	<u>35,132,029</u>	<u>3,559,771</u>
<b>Excess of revenues over expenditures</b>	<u>1,624,000</u>	<u>1,624,000</u>	<u>8,613,224</u>	<u>6,989,224</u>
<b>Other financing sources (uses):</b>				
Transfers in	364,300	364,300	364,300	-
Transfers out	(5,115,700)	(5,115,700)	(4,620,921)	494,779
<b>Total other financing sources (uses)</b>	<u>(4,751,400)</u>	<u>(4,751,400)</u>	<u>(4,256,621)</u>	<u>494,779</u>
<b>Net change in fund balance</b>	<u>(3,127,400)</u>	<u>(3,127,400)</u>	<u>4,356,603</u>	<u>7,484,003</u>
<b>Fund balance - beginning</b>	<u>28,209,999</u>	<u>28,209,999</u>	<u>28,209,999</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 25,082,599</u>	<u>\$ 25,082,599</u>	<u>32,566,602</u>	<u>\$ 7,484,003</u>
<b>Adjustments to reconcile to GAAP basis:</b>				
Addition of encumbrances outstanding			295,864	
Less prior year encumbrances expended in current year			(245,656)	
<b>Fund balance - June 30, 2011 (GAAP basis)</b>			<u>\$ 32,616,810</u>	

**CITY OF BOWIE, MARYLAND**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2011**

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A. Budgetary information - The annual operating budgets are plans of current expenditures and the proposed means of financing them. The primary means by which most of the financing, acquisition, spending, and service delivery activities of the governmental unit are legally controlled, is through the annual operating budget. The City of Bowie prepares an annual operating budget for each fund. The budgets are prepared on a line item basis by function, activity and object. The City's fiscal year begins on July 1 and ends on June 30.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- Prior to April 15, a 6 year Capital Improvements Program is submitted by the City Manager to the City Council for adoption. Public hearings are held regarding the programs and adoption, via resolution, is made by the Council for those programs.
- By the fifteenth of April, the City Manager submits to the City Council a proposed operating budget. The operating budget includes proposed expenditures, including those expenditures for the Capital Improvements Program approved for the ensuing year, and the estimated revenues by which the expenditures are to be financed.
- Public hearings are conducted for taxpayers input regarding the proposed operating budget.
- A favorable vote by a majority of the elected members of the Council is necessary to adopt, as an ordinance, the operating budget at the activity level.
- Budgetary integration is used as a management control for all funds. Council approval is required, by ordinance, to increase the budgeted appropriations. Transfers of appropriations between activities require a council approved resolution. Two supplemental appropriation ordinances and one transfer resolution were required this year.
- Expenditures may not legally exceed budgeted appropriations at the activity level.
- All appropriations, not expended or lawfully encumbered, lapse at the end of the budget year, and are available to fund appropriations in the subsequent year.
- The making of contracts, or the spending of monies for capital improvements financed in whole or in part by bond proceeds, or the making of contracts for leases or services that extend beyond the budget year in which the contract is made, is expressly authorized.

B. An encumbrance system is used in the governmental fund type of accounts. This method is employed to reserve the applicable appropriations for those expenditure commitments resulting from approved contracts or purchase orders that have not been

**CITY OF BOWIE, MARYLAND**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2011**

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performed or received by the end of the budget year. All encumbrances outstanding at year-end are recorded as a reservation of fund balance and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

- C. For the year ended June 30, 2011, expenditures exceeded appropriations in the following activities (the legal level of budgetary control) of the general fund by the following amounts:

<u>Activity</u>	<u>Amount</u>
Planning Department	\$ 1

These over expenditures were funded by unexpended appropriations from the remaining activities within each respective area of the general fund.

- D. The City's financial statements are prepared in accordance with all applicable legal requirements, which if inconsistent with generally accepted accounting principles are shown on separate schedules. There are no known violations of grant assurances or compliance procedures.
- E. The City Code requires the adoption of an annual operating budget for each City fund including the proprietary funds.
- F. The Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds is prepared on a basis consistent with generally accepted accounting principles under which method encumbrances are considered a commitment or assignment of fund balance and charged to operations in the year liquidated. All intergovernmental revenues applicable to these encumbrances are recorded as unearned for the current period, and earned for the subsequent period in which the commitment or assignment of fund balance is liquidated.
- G. The Budgetary Comparison Schedule for the General Fund and the schedule of Revenues, Expenditures and Encumbrances and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual – for the Equipment Acquisition and Replacement, and Capital Projects Fund were prepared on a basis consistent with the legally adopted budget. Under this method current year encumbrances outstanding are charged to budgetary appropriations and considered an expenditure of the current period.

**CITY OF BOWIE, MARYLAND  
Fund Descriptions**

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**MAJOR GOVERNMENTAL FUNDS**

**GENERAL FUND**

This fund accounts for all revenues and expenditures which are not accounted for in other funds. It is the largest and most important accounting activity. It receives a great variety of general revenues and finances a wide range of programs. Most of the City's operation is financed from this fund.

**EQUIPMENT ACQUISITION AND REPLACEMENT FUND**

This Fund was established by Ordinance Number 5-79 passed by the Council on June 4, 1979. It receives amounts transferred from other funds, not only to acquire and replace equipment during the current year, but to accumulate amounts appropriated each year to replace equipment scheduled for replacement in future years.

**CAPITAL PROJECTS FUND**

The fund was established to account for all resources used for the acquisition of capital facilities by the City except those financed by enterprise funds. Capital Projects are those capital outlays which involve the acquisition and/or construction of major, permanent facilities having a relatively long life.

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**PROPRIETARY FUNDS**

**WATER AND SEWER FUND**

This fund is operated to account for the activities of the Water and Sewer System. It is classified as an enterprise fund rendering services on a user charge basis. The system should be a self-supporting entity and the accounting must make it possible to show whether it operated at a profit or loss.

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**CITY OF BOWIE**  
**Schedule of Revenues, Expenditures and Encumbrances**  
**and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual**  
**Equipment Acquisition and Replacement Fund**  
**For the Year Ended June 30, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental revenue	\$ -	\$ 248,300	\$ 464,463	\$ 216,163
Interest income	7,800	7,800	9,960	2,160
<b>Total Revenue</b>	<u>7,800</u>	<u>256,100</u>	<u>474,423</u>	<u>218,323</u>
<b>Expenditures and encumbrances:</b>				
<b>General Government</b>				
City Council	35,100	35,100	-	35,100
City Manager	58,400	58,400	56,434	1,966
Finance	32,500	32,500	29,500	3,000
Community Services	39,500	39,500	34,468	5,032
Planning	11,200	11,200	15,194	(3,994)
<b>Total General Government</b>	<u>176,700</u>	<u>176,700</u>	<u>135,596</u>	<u>41,104</u>
<b>Public Safety</b>				
Police Department	218,400	466,700	407,838	58,862
<b>Total Public Safety</b>	<u>218,400</u>	<u>466,700</u>	<u>407,838</u>	<u>58,862</u>
<b>Public Works</b>				
Solid Waste Division	750,000	750,000	556,028	193,972
Street Maintenance Division	234,000	234,000	230,353	3,647
<b>Total Public Works</b>	<u>984,000</u>	<u>984,000</u>	<u>786,381</u>	<u>197,619</u>
<b>Parks, Culture and Recreation</b>				
Parks and Grounds	16,300	16,300	16,239	61
<b>Total Parks, Culture and Recreation</b>	<u>16,300</u>	<u>16,300</u>	<u>16,239</u>	<u>61</u>
<b>Total expenditures and encumbrances</b>	<u>1,395,400</u>	<u>1,643,700</u>	<u>1,346,054</u>	<u>297,646</u>
<b>Excess of revenues over expenditures</b>	<u>(1,387,600)</u>	<u>(1,387,600)</u>	<u>(871,631)</u>	<u>515,969</u>
<b>Other financing sources (uses):</b>				
Sale of Capital Assets	-	-	9,910	9,910
Transfers in	2,025,000	2,025,000	1,530,221	(494,779)
<b>Total other financing sources (uses)</b>	<u>2,025,000</u>	<u>2,025,000</u>	<u>1,540,131</u>	<u>(484,869)</u>
<b>Net change in fund balance</b>	637,400	637,400	668,500	31,100
Fund balance - beginning	5,851,267	5,851,267	5,851,267	-
Fund balance - ending	<u>\$ 6,488,667</u>	<u>\$ 6,488,667</u>	<u>6,519,767</u>	<u>\$ 31,100</u>
<b>Adjustments to reconcile to GAAP basis:</b>				
Addition of encumbrances outstanding			80,903	
Less prior year encumbrances expended in current year			(165,397)	
<b>Fund balance - (GAAP basis)</b>			<u>\$ 6,435,273</u>	

**CITY OF BOWIE**  
**Schedule of Revenues, Expenditures and Encumbrances**  
**and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual**  
**Capital Projects Fund**  
**For the Year Ended June 30, 2011**

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental revenues	\$ 174,000	\$ 785,600	\$ 184,500	\$ (601,100)
Contributions	25,000	25,000	25,000	-
Interest income	20,900	20,900	25,649	4,749
Other revenues	-	-	8,000	8,000
<b>Total revenues</b>	<u>219,900</u>	<u>831,500</u>	<u>243,149</u>	<u>(588,351)</u>
<b>Expenditures and encumbrances:</b>				
<b>Capital outlay:</b>				
Land Acquisition	136,300	364,500	364,372	128
Public Buildings	5,685,600	5,571,400	4,198,529	1,372,871
Drainage Control	223,700	223,700	73,833	149,867
Recreation Areas Development	1,675,700	2,373,300	446,443	1,926,857
<b>Total expenditures and encumbrances</b>	<u>7,721,300</u>	<u>8,532,900</u>	<u>5,083,177</u>	<u>3,449,723</u>
<b>Deficiency of revenues under expenditures</b>	<u>(7,501,400)</u>	<u>(7,701,400)</u>	<u>(4,840,028)</u>	<u>2,861,372</u>
<b>Other financing sources (uses)</b>				
Transfers in	3,090,700	3,090,700	3,090,700	-
<b>Total other financing sources and uses</b>	<u>3,090,700</u>	<u>3,090,700</u>	<u>3,090,700</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>(4,410,700)</u>	<u>(4,610,700)</u>	<u>(1,749,328)</u>	<u>2,861,372</u>
Fund balance - beginning	20,956,056	20,956,056	20,956,056	-
Fund balance - ending	<u>\$ 16,545,356</u>	<u>\$ 16,345,356</u>	<u>19,206,728</u>	<u>\$ 2,861,372</u>
<b>Adjustments to reconcile to GAAP basis:</b>				
Addition of encumbrances outstanding			2,267,244	
Less prior year encumbrances expended in current year			<u>(12,743,995)</u>	
Fund balance - June 30, 2011 (GAAP basis)			<u>\$ 8,729,977</u>	

**CITY OF BOWIE**  
**Schedule of Revenues, Expenses and Other Financing Sources (Uses) - Budget (Non-GAAP Budgetary Basis) and Actual**  
**Water and Sewer Fund**  
**For the Year Ended June 30, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Water sales and sewerage surcharge	\$ 4,066,000	\$ 4,066,000	\$ 3,766,347	\$ (299,653)
Minimum charges	1,041,200	1,041,200	1,036,702	(4,498)
Forfeited discounts and penalties	19,000	19,000	19,635	635
Processing fees	10,000	10,000	10,150	150
Interest income	1,900	1,900	618	(1,282)
Rental income - tower leases	257,200	257,200	261,060	3,860
Intergovernmental	2,372,200	2,372,200	2,038,387	(333,813)
Other income	76,000	76,000	77,361	1,361
<b>Total revenues</b>	<u>7,843,500</u>	<u>7,843,500</u>	<u>7,210,260</u>	<u>(633,240)</u>
<b>Expenses:</b>				
Water Supply	1,885,700	2,211,300	1,796,210	415,090
Sewage treatment	6,092,300	6,167,100	4,056,966	2,110,134
Administrative and general	377,700	377,700	360,133	17,567
Miscellaneous	222,600	62,100	51,104	10,996
Debt service	285,300	285,300	282,343	2,957
<b>Total expenses</b>	<u>8,863,600</u>	<u>9,103,500</u>	<u>6,546,756</u>	<u>2,556,744</u>
<b>Excess (deficiency) of revenues over expenses</b>	<u>(1,020,100)</u>	<u>(1,260,000)</u>	<u>663,504</u>	<u>1,923,504</u>
<b>Other financing sources (uses):</b>				
Sales of capital assets	1,000	1,000	20,210	19,210
Proceeds - State Loan	1,347,700	1,347,700	493,684	(854,016)
Transfers out	(364,300)	(364,300)	(364,300)	-
<b>Total other financing sources (uses)</b>	<u>984,400</u>	<u>984,400</u>	<u>149,594</u>	<u>(834,806)</u>
<b>Net change in net assets</b>	<u>(35,700)</u>	<u>(275,600)</u>	<u>813,098</u>	<u>1,088,698</u>
Net assets - beginning	19,652,053	19,652,053	19,652,053	-
Net assets - ending	<u>\$ 19,616,353</u>	<u>\$ 19,376,453</u>	<u>20,465,151</u>	<u>\$ 1,088,698</u>
<b>Adjustments to reconcile to GAAP basis:</b>				
Addition of capital assets acquired in current year			2,215,754	
Addition of principal payments on debt			192,573	
Less state loan proceeds			(493,684)	
Less depreciation expense			(860,654)	
Less amortization of bond issuance costs			(1,497)	
Net assets - June 30, 2011 (GAAP basis)			<u>\$ 21,517,643</u>	



**SECTION III – STATISTICAL SECTION**

# STATISTICAL SECTION

The Statistical Section presents detailed information for the primary government in the following areas, as a context for understanding what the information in the Financial Section says about the City's overall financial health:

**FINANCIAL TRENDS** – Information to help the reader understand how the City's financial performance and well-being have changed over time.

**REVENUE CAPACITY** – Information to help the reader assess the City's most significant local revenue source, the property tax.

**DEBT CAPACITY** – Information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

**DEMOGRAPHIC AND ECONOMIC INFORMATION** – Indicators to help the reader understand how the environment within which the city's financial activities take place.

**OPERATING INFORMATION** – Service and infrastructure data to help the reader understand how the information in the City's Financial report relates to the services the City provides and the activities it performs.

Many of the tables cover more than two fiscal years and present data from outside accounting records. Therefore, the Statistical Section is unaudited.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning that year.

**CITY OF BOWIE, MARYLAND**  
**Net Assets by Component**  
**Last Nine Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	Fiscal Year								
	<u>2003</u>	<u>2004</u>	<u>2005</u>	Restated <u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Governmental activities</b>									
Invested in capital assets net of debt	\$ 38,612	\$ 40,497	\$ 42,440	\$ 58,787 <sup>1</sup>	\$ 63,038	\$ 67,500	\$ 70,545	\$ 72,183	\$ 74,601
Restricted	-	-	-	-	-	-	-	11,866	-
Unrestricted	<u>20,583</u>	<u>20,770</u>	<u>26,007</u>	<u>30,991</u>	<u>36,873</u>	<u>37,892</u>	<u>39,712</u>	<u>30,379</u>	<u>48,111</u>
<b>Total Governmental activities net assets</b>	<b><u>\$ 59,195</u></b>	<b><u>\$ 61,267</u></b>	<b><u>\$ 68,447</u></b>	<b><u>\$ 89,778</u></b>	<b><u>\$ 99,911</u></b>	<b><u>\$ 105,392</u></b>	<b><u>\$ 110,257</u></b>	<b><u>\$ 114,428</u></b>	<b><u>\$ 122,712</u></b>
<b>Business type activities</b>									
Invested in capital assets net of debt	\$ 13,430	\$ 13,106	\$ 13,175	\$ 13,030	\$ 12,647	\$ 13,245	\$ 13,042	\$ 19,652	\$ 20,859
Restricted	-	-	-	-	-	-	-	-	-
Unrestricted	<u>2,520</u>	<u>2,414</u>	<u>1,866</u>	<u>1,839</u>	<u>1,590</u>	<u>1,436</u>	<u>1,263</u>	-	<u>659</u>
<b>Total business type activities net assets</b>	<b><u>\$ 15,950</u></b>	<b><u>\$ 15,520</u></b>	<b><u>\$ 15,041</u></b>	<b><u>\$ 14,869</u></b>	<b><u>\$ 14,237</u></b>	<b><u>\$ 14,681</u></b>	<b><u>\$ 14,305</u></b>	<b><u>\$ 19,652</u></b>	<b><u>\$ 21,518</u></b>
<b>Primary Government</b>									
Invested in capital assets net of debt	\$ 52,042	\$ 53,603	\$ 55,615	\$ 71,817	\$ 75,685	\$ 80,746	\$ 83,586	\$ 91,835	\$ 95,460
Restricted	-	-	-	-	-	-	-	11,866	-
Unrestricted	<u>23,103</u>	<u>23,184</u>	<u>27,873</u>	<u>32,830</u>	<u>38,463</u>	<u>39,328</u>	<u>40,975</u>	<u>30,379</u>	<u>48,770</u>
<b>Total primary governmental net assets</b>	<b><u>\$ 75,145</u></b>	<b><u>\$ 76,787</u></b>	<b><u>\$ 83,488</u></b>	<b><u>\$ 104,647</u></b>	<b><u>\$ 114,148</u></b>	<b><u>\$ 120,074</u></b>	<b><u>\$ 124,561</u></b>	<b><u>\$ 134,080</u></b>	<b><u>\$ 144,230</u></b>

Note: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

<sup>1</sup> In conjunction with GASB 34, the City deferred recording infrastructure assets acquired prior to July 1, 2002, until the fiscal year 2006.

**CITY OF BOWIE**  
**Changes in Net Assets**  
**Last Nine Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	Fiscal Year								
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Expenses:</b>									
<b>Governmental activities:</b>									
General government	\$ 4,671	\$ 4,994	\$ 5,218	\$ 5,662	\$ 6,076	\$ 6,441	\$ 6,887	\$ 6,968	\$ 7,899
Economic development	349	343	341	324	311	273	327	315	263
Public safety	1,212	1,244	1,509	1,393	2,208	4,218	5,752	7,093	8,637
Social services	1,195	1,266	1,347	1,430	1,581	1,716	1,786	1,882	1,931
Public works	8,509	8,929	9,241	10,116	10,820	11,107	11,091	12,294	11,496
Parks, culture and recreation	3,552	5,401	4,379	4,879	5,274	5,716	5,970	6,243	6,272
Interest on long term debt	<u>109</u>	<u>87</u>	<u>64</u>	<u>45</u>	<u>16</u>	<u>-</u>	<u>-</u>	<u>502</u>	<u>519</u>
<b>Total government activities expenses</b>	<b>19,597</b>	<b>22,264</b>	<b>22,099</b>	<b>23,849</b>	<b>26,286</b>	<b>29,471</b>	<b>31,813</b>	<b>35,297</b>	<b>37,017</b>
<b>Business-type activities</b>									
Water and wastewater	<u>3,604</u>	<u>3,853</u>	<u>3,945</u>	<u>4,118</u>	<u>4,475</u>	<u>4,540</u>	<u>4,809</u>	<u>4,940</u>	<u>5,001</u>
<b>Total primary governmental expenses</b>	<b>\$ 23,201</b>	<b>\$ 26,117</b>	<b>\$ 26,044</b>	<b>\$ 27,967</b>	<b>\$ 30,761</b>	<b>\$ 34,011</b>	<b>\$ 36,622</b>	<b>\$ 40,237</b>	<b>\$ 42,018</b>
<b>Program Revenues</b>									
<b>Governmental activities</b>									
<b>Charges for services:</b>									
General government	\$ 33	\$ 56	\$ 45	\$ 48	\$ 93	\$ 110	\$ 166	\$ 168	\$ 190
Economic development	-	-	-	-	-	-	-	-	-
Public safety	231	150	171	150	172	218	254	313	2,881
Social services	-	2	2	3	4	3	4	3	5
Public works	297	350	368	367	432	172	253	122	125
Park, culture and recreation	710	730	819	1,028	1,073	1,090	1,025	1,061	1,108
Operating grants and contributions	780	676	711	608	653	687	775	1,090	1,286
Capital grants and contributions	<u>1,111</u>	<u>803</u>	<u>246</u>	<u>449</u>	<u>451</u>	<u>412</u>	<u>528</u>	<u>2,312</u>	<u>1,041</u>
<b>Total government activities program revenues</b>	<b>3,162</b>	<b>2,767</b>	<b>2,362</b>	<b>2,653</b>	<b>2,878</b>	<b>2,692</b>	<b>3,005</b>	<b>5,069</b>	<b>6,636</b>
<b>Business-type activities</b>									
<b>Charges for services</b>									
Water and wastewater	3,677	3,592	3,645	4,172	4,086	4,530	4,679	4,722	4,910
Capital grants and contributions	-	-	-	-	-	726	74	5,669	2,038
<b>Total primary governmental program revenues</b>	<b>\$ 6,839</b>	<b>\$ 6,359</b>	<b>\$ 6,007</b>	<b>\$ 6,825</b>	<b>\$ 6,964</b>	<b>\$ 7,948</b>	<b>\$ 7,758</b>	<b>\$ 15,460</b>	<b>\$ 13,584</b>

**CITY OF BOWIE**  
**Changes in Net Assets**  
**Last Nine Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Net (expenses)revenue</b>									
Governmental activities	\$ (16,435)	\$ (19,497)	\$ (19,737)	\$ (21,196)	\$ (23,408)	\$ (26,779)	\$ (28,808)	\$ (30,228)	\$ (30,381)
Business-type activities	72	(261)	(300)	54	(389)	715	(56)	5,451	1,947
<b>Total primary government net expenses</b>	<u>\$ (16,363)</u>	<u>\$ (19,758)</u>	<u>\$ (20,037)</u>	<u>\$ (21,142)</u>	<u>\$ (23,797)</u>	<u>\$ (26,064)</u>	<u>\$ (28,864)</u>	<u>\$ (24,777)</u>	<u>\$ (28,434)</u>
<b>General Revenues and Other Changes in Net Assets</b>									
<b>Governmental activities:</b>									
<b>Taxes</b>									
Property taxes	\$ 10,859	\$ 11,724	\$ 13,412	\$ 14,869	\$ 17,394	\$ 18,948	\$ 22,498	\$ 24,243	\$ 26,689
Income taxes	5,244	5,344	5,822	6,281	6,022	6,380	5,379	6,745	8,360
State shared revenues	2,235	1,889	2,397	3,038	3,128	2,841	2,532	304	229
Other taxes	861	903	856	906	956	1,054	1,039	971	951
Franchise fees	615	645	764	915	892	1,059	1,127	1,281	1,428
Grants not restricted to specific programs	-	-	-	21	30	-	-	-	-
Unrestricted Investment earnings	302	218	484	1,072	1,728	1,397	510	146	91
Special Item - Proceeds from land sale easement	421	-	-	-	2,778	-	-	-	-
Miscellaneous	111	655	778	598	292	251	248	356	554
Transfers	172	191	243	311	320	330	340	353	364
<b>Total government activities</b>	<u>20,820</u>	<u>21,569</u>	<u>24,756</u>	<u>28,011</u>	<u>33,540</u>	<u>32,260</u>	<u>33,673</u>	<u>34,399</u>	<u>38,666</u>
<b>Business-type activities</b>									
Unrestricted Investment earnings	27	22	48	84	77	59	19	2	1
Miscellaneous	-	-	16	1	-	-	-	247	281
Transfers	(172)	(191)	(243)	(311)	(320)	(330)	(340)	(353)	(364)
<b>Total business-type activities</b>	<u>(145)</u>	<u>(169)</u>	<u>(179)</u>	<u>(226)</u>	<u>(243)</u>	<u>(271)</u>	<u>(321)</u>	<u>(104)</u>	<u>(82)</u>
<b>Total primary government</b>	<u>\$ 20,675</u>	<u>\$ 21,400</u>	<u>\$ 24,577</u>	<u>\$ 27,785</u>	<u>\$ 33,297</u>	<u>\$ 31,989</u>	<u>\$ 33,352</u>	<u>\$ 34,295</u>	<u>\$ 38,584</u>
<b>Change in Net Assets</b>									
Governmental activities	\$ 4,385	\$ 2,072	\$ 5,019	\$ 6,815	\$ 10,133	\$ 5,481	\$ 4,865	\$ 4,171	\$ 8,285
Business-type activities	(73)	(430)	(479)	(172)	(632)	444	(377)	5,347	1,865
<b>Total primary government</b>	<u>\$ 4,312</u>	<u>\$ 1,642</u>	<u>\$ 4,540</u>	<u>\$ 6,643</u>	<u>\$ 9,501</u>	<u>\$ 5,925</u>	<u>\$ 4,488</u>	<u>\$ 9,518</u>	<u>\$ 10,150</u>

Note: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

**CITY OF BOWIE**  
**Fund Balances of Governmental Funds**  
**Last Nine Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

	Fiscal Year								
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General fund									
Reserved	\$ 304	\$ 764	\$ 661	\$ 772	\$ 455	\$ 250	\$ 296	\$ 495	\$ -
Unreserved	13,400	13,509	14,826	18,706	21,585	21,950	25,985	27,715	-
Nonspendable	-	-	-	-	-	-	-	-	413
Committed	-	-	-	-	-	-	-	-	1,916
Assigned	-	-	-	-	-	-	-	-	1,299
Unassigned	-	-	-	-	-	-	-	-	28,989
<b>Total general fund</b>	<b><u>\$ 13,704</u></b>	<b><u>\$ 14,273</u></b>	<b><u>\$ 15,487</u></b>	<b><u>\$ 19,478</u></b>	<b><u>\$ 22,040</u></b>	<b><u>\$ 22,200</u></b>	<b><u>\$ 26,281</u></b>	<b><u>\$ 28,210</u></b>	<b><u>\$ 32,617</u></b>
All other governmental funds									
Reserved	\$ 1,191	\$ 966	\$ 1,813	\$ 1,199	\$ 3,513	\$ 3,139	\$ 2,723	\$ 13,120	\$ -
Unreserved reported in:									
Equipment Acquisition and Replacement fund	3,059	2,540	2,777	3,072	3,594	4,712	4,520	5,682	-
Capital Projects fund	3,034	3,288	4,501	5,592	6,360	6,599	6,049	8,005	-
Committed	-	-	-	-	-	-	-	-	4,169
Assigned	-	-	-	-	-	-	-	-	10,996
<b>Total all other governmental funds</b>	<b><u>\$ 7,284</u></b>	<b><u>\$ 6,794</u></b>	<b><u>\$ 9,091</u></b>	<b><u>\$ 9,863</u></b>	<b><u>\$ 13,467</u></b>	<b><u>\$ 14,450</u></b>	<b><u>\$ 13,292</u></b>	<b><u>\$ 26,807</u></b>	<b><u>\$ 15,165</u></b>

Note: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

**CITY OF BOWIE, MARYLAND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

	<b>FISCAL YEAR</b>									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>REVENUES</b>										
Taxes	\$ 10,082	\$ 11,674	\$ 12,562	\$ 14,193	\$ 15,696	\$ 18,277	\$ 19,927	\$ 23,461	\$ 25,147	\$ 27,571
License and permits	291	285	363	445	455	538	364	474	347	350
Intergovernmental revenues	8,644	9,055	8,570	9,064	9,870	10,313	10,165	10,017	9,989	10,287
Fees and fines	785	1,362	1,361	1,488	1,831	1,843	2,036	2,017	2,306	5,040
Contributions	122	314	142	115	84	201	120	123	322	174
Interest income	523	341	269	484	1,072	1,800	1,479	609	233	154
Rental income	174	174	175	171	186	239	254	340	302	339
Other revenues	124	184	196	266	666	339	255	182	326	548
<b>TOTAL REVENUES</b>	<u>20,745</u>	<u>23,389</u>	<u>23,638</u>	<u>26,226</u>	<u>29,860</u>	<u>33,550</u>	<u>34,600</u>	<u>37,223</u>	<u>38,972</u>	<u>44,463</u>
<b>EXPENDITURES</b>										
<b>Current:</b>										
General government	4,339	3,924	4,033	4,342	4,786	5,233	5,497	5,912	5,957	6,682
Economic development	189	345	339	340	325	310	271	327	314	262
Public safety	1,123	1,210	1,242	1,507	1,404	2,177	3,882	5,298	6,296	7,854
Social services	1,072	1,160	1,230	1,317	1,414	1,546	1,693	1,747	1,842	1,883
Public works	6,849	8,028	8,463	8,742	9,532	10,660	11,212	11,179	12,003	11,521
Parks, culture and recreation	2,190	2,894	4,719	3,635	4,058	4,507	4,728	4,948	5,112	5,150
Other - unclassified	359	329	447	342	330	350	476	402	370	366
<b>Debt service</b>										
Principal	408	414	406	417	235	790	-	-	-	775
Interest	131	110	98	76	52	40	-	-	252	557
Paying and Fiscal agent fees	-	-	-	-	-	-	-	-	-	1
Capital outlay	2,234	4,440	3,129	2,817	3,302	5,137	6,062	4,929	7,740	17,021
<b>TOTAL EXPENDITURES</b>	<u>18,894</u>	<u>22,854</u>	<u>24,106</u>	<u>23,535</u>	<u>25,438</u>	<u>30,750</u>	<u>33,821</u>	<u>34,742</u>	<u>39,886</u>	<u>52,072</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>1,851</u>	<u>535</u>	<u>(468)</u>	<u>2,691</u>	<u>4,422</u>	<u>2,800</u>	<u>779</u>	<u>2,481</u>	<u>(914)</u>	<u>(7,609)</u>
<b>OTHER FINANCING SOURCES (USES)</b>										
Sale of Capital assets	28	11	95	577	30	6	34	102	-	10
Proceeds from land sale	-	-	-	-	-	3,040	-	-	-	-
Transfers in	5,014	2,291	1,606	4,128	3,430	4,829	6,345	3,249	3,229	4,985
Transfers out	(4,882)	(2,119)	(1,415)	(3,885)	(3,119)	(4,509)	(6,015)	(2,909)	(2,876)	(4,621)
Debt issuance	-	-	-	-	-	-	-	-	15,500	-
Premium on bond sale	-	-	-	-	-	-	-	-	505	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>160</u>	<u>183</u>	<u>286</u>	<u>820</u>	<u>341</u>	<u>3,366</u>	<u>364</u>	<u>442</u>	<u>16,358</u>	<u>374</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 2,011</u>	<u>\$ 718</u>	<u>\$ (182)</u>	<u>\$ 3,511</u>	<u>\$ 4,763</u>	<u>\$ 6,166</u>	<u>\$ 1,143</u>	<u>\$ 2,923</u>	<u>\$ 15,444</u>	<u>\$ (7,235)</u>
<b>Debt service as a percentage of noncapital expenditures</b>	3.24%	2.85%	2.40%	2.38%	1.30%	3.40% <sup>1</sup>	0.00%	0.00%	0.80%	3.93%

<sup>1</sup>. Restated to correct error.

**CITY OF BOWIE, MARYLAND**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
(amounts expressed in thousands)

Fiscal Year	Real Property		Personal Property <sup>(1)</sup>	Less: Tax-Exempt Property	Total Taxable Assessed Value	Real Property	Personal Property	Total Direct Tax Rate	Estimated Total Actual Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property								
2002	\$ 2,895,054	\$ 341,926	\$ 100,883	\$ 133,911	\$ 3,203,952	\$ 0.252	\$ 0.630	\$ 0.265	\$ 3,295,183	97.23%
2003	3,131,830	394,856	109,575	131,461	3,504,800	0.292	0.730	0.306	3,613,602	96.99
2004	3,239,542	407,574	167,568	132,279	3,682,405	0.292	0.730	0.312	3,917,644	94.00
2005	3,381,285	425,407	153,531	138,067	3,822,156	0.322	0.805	0.341	4,139,433	92.34
2006	3,755,596	437,608	160,776	136,814	4,217,166	0.322	0.805	0.341	4,869,299	86.61
2007	4,104,632	468,438	164,145	137,632	4,599,583	0.352	0.880	0.371	5,521,159	83.31
2008	4,487,185	524,986	180,454	164,949	5,027,676	0.352	0.880	0.372	6,266,257	80.23
2009	4,918,780	635,358	197,278	174,608	5,576,808	0.380	0.950	0.401	7,242,266	77.00
2010	5,347,937	697,834	194,158	185,638	6,054,291	0.380	0.950	0.401	8,139,075	74.39
2011	5,459,996	1,005,825	180,357	267,692	6,378,486	0.400	1.000	0.417	8,830,171	72.24

Note: Real property is assessed on a triennial basis.

Fiscal years 2002 through 2008 have been restated.

(1) Assessed value and estimated actual for Personal Property are equal.



**CITY OF BOWIE, MARYLAND  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS  
(rate per \$100 of assessed value)**

Fiscal Year	Basic Rate	Overlapping Tax Rates					Total Tax Rate
		County	State	Park and Planning	WSSC	WSTC	
2002	\$ 0.2520	\$ 0.9380	\$ 0.0840	\$ 0.2440	\$ 0.0047	\$ 0.0262	\$ 1.5489
2003	0.2920	0.9440	0.0840	0.2440	0.0038	0.0260	1.5938
2004	0.2920	0.9450	0.1320	0.2790	0.0037	0.0260	1.6777
2005	0.3220	0.9440	0.1320	0.2790	0.0033	0.0260	1.7063
2006	0.3220	0.9440	0.1320	0.2790	0.0017	0.0260	1.7047
2007	0.3520	0.9450	0.1120	0.2790	0.0014	0.0260	1.7154
2008	0.3520	0.9460	0.1120	0.2790	0.0012	0.0260	1.7162
2009	0.3800	0.9090	0.1120	0.2790	0.0010	0.0260	1.7070
2010	0.3800	0.8660	0.1120	0.2790	0.0009	0.0260	1.6639
2011	0.4000	0.8190	0.1120	0.2790	-	0.0260	1.6360

Notes: Overlapping rates are those of local and county governments that apply to property owners within the City of Bowie.

CITY OF BOWIE, MARYLAND  
 PRINCIPAL PROPERTY TAXPAYERS  
 FISCAL YEAR ENDED JUNE 30, 2011 AND NINE YEARS AGO

<u>Name</u>	<u>Type of Business</u>	<u>2011</u>			<u>2002</u>		
		<u>Assessed Value</u>	<u>Rank</u>	<u>Percent of Total Assessed Value</u>	<u>Assessed Value</u>	<u>Rank</u>	<u>Percent of Total Assessed Value</u>
Maryland Science and Technology	Commercial Leasing	\$ 119,959,200	1	1.88 %	\$ -		- %
Bowie Mall Co/Bowie Town Ctr	Shopping Center	79,447,900	2	1.25	-		-
Archstone Communities	Apartment Rental	76,166,700	3	1.19	-		-
Bowie Town Ctr/Elder Oaks	Apartment Rental	56,000,000	4	0.88	26,099,800	1	0.81
Freestate Mall	Shopping Center	49,836,400	5	0.78	18,097,900	5	0.56
Heather Ridge Apts	Apartment Rental	43,025,170	6	0.67	22,570,540	2	0.70
Home Depot USA	Retail Store	25,462,580	7	0.40	18,634,800	3	-
BJ's Wholesale Club Inc	Retail Store	24,871,550	8	0.39	-		-
Collington Plaza Inc.	Shopping Center	23,000,000	9	0.36	11,418,000	8	0.36
Lowe's Home Centers	Retail Store	21,510,520	10	0.34	18,326,700	4	0.57
Bowie REM Business Trust	Movie Complex	-		-	11,241,500	9	0.35
Wal-Mart	Retail Store	-		-	12,938,080	6	0.40
Kohls	Retail Store	-		-	11,096,830	10	0.35
Target	Retail Store	-		-	12,275,960	7	0.38
	<b>Total</b>	<b>\$ 519,280,020</b>		<b>8.14 %</b>	<b>\$ 162,700,110</b>		<b>4.48 %</b>

Source: Maryland State Department of Assessments and Taxation

**CITY OF BOWIE, MARYLAND  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amounts	Percent of Levy Collected		Amounts	Percent of Levy
2002	\$ 9,240,192	\$ 9,165,877	99.2 %	\$ 37,495	\$ 9,203,372	99.6 %
2003	10,858,962	10,721,204	98.7	43,958	10,765,162	99.1
2004	11,724,241	11,636,211	99.2	79,354	11,715,565	99.9
2005	13,411,671	13,370,358	99.7	59,236	13,429,594	100.1
2006	14,919,768	14,783,047	99.1	29,097	14,812,144	99.3
2007	17,466,709	17,388,429	99.6	26,428	17,414,857	99.7
2008	19,031,108	18,814,472	98.9	30,441	18,844,913	99.0
2009	22,596,485	22,345,529	98.9	154,556	22,500,085	99.6
2010	24,244,570	23,844,440	98.3	112,162	23,956,602	98.8
2011	26,689,416	26,588,442	99.6	301,725	26,890,167	100.7

**CITY OF BOWIE, MARYLAND  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Governmental Activities</b>		<b>Business Type Activities</b>		<b>Total Primary Government</b>	<b>Percentage of Personal Taxable Income</b>	<b>Per Capita</b>
	<b>General Obligation Bond</b>	<b>General Obligation Bond</b>	<b>State Loans</b>				
2002	\$ 2,052,150	\$ 96,900	\$ 3,514,118	\$ 5,663,168	0.6262%	\$ 107.12	
2003	1,848,100	96,900	3,607,869	5,552,869	0.6186%	102.95	
2004	1,442,050	47,950	3,446,705	4,936,705	0.5065%	90.63	
2005	1,025,000	-	3,281,512	4,306,512	0.4264%	78.89	
2006	790,000	-	3,112,190	3,902,190	0.3753%	70.27	
2007	-	-	2,938,634	2,938,634	0.2697%	52.83	
2008	-	-	2,760,739	2,760,739	0.2553%	49.77	
2009	-	-	2,578,398	2,578,398	0.2311%	46.18	
2010	15,956,868	-	3,565,225	19,522,093	-	349.26	
2011	15,136,181	-	3,866,336	19,002,517	-	346.84	

**Note:** The personal taxable income figure for fiscal years 2010 and 2011 were unavailable prior to publication.

**CITY OF BOWIE, MARYLAND  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2011**

Name Governmental Unit	Net Tax-supported Debt Outstanding	Percentage Applicable to This Governmental Unit	Share of Debt
<b><u>DIRECT DEBT</u></b>			
City of Bowie	\$ 15,136,181	100.00%	\$ 15,136,181
<b><u>OVERLAPPING DEBT<sup>1</sup></u></b>			
Prince George's County	714,419,526	8.00% <sup>2</sup>	57,153,562
Maryland-National Capital Park and Planning Commission	65,925,197	8.00% <sup>2</sup>	5,274,016
Industrial Development Authority of Prince George's County			
lease revenue bonds	<u>69,401,416</u>	8.00% <sup>2</sup>	<u>5,552,113</u>
Total Overlapping Debt	<u>849,746,139</u>		<u>67,979,691</u>
Total Direct and Overlapping Debt	<u>\$ 864,882,320</u>		<u>\$ 83,115,872</u>

1. Overlapping Debt is not bonded debt of the City of Bowie on either a direct or contingent basis, but represents the share of debt of overlapping governmental units which the residents of the City of Bowie are obligated to pay through the direct tax levies of the respective governmental units.

2. Ratio of Assessed Value in the City of Bowie to the total Assessed Value in Prince George's County.

**CITY OF BOWIE, MARYLAND  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(amounts expressed in thousands)**

	Fiscal Year									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Debt Limit	\$ 25,632	\$ 28,038	\$ 29,459	\$ 30,577	\$ 33,737	\$ 36,797	\$ 40,262	\$ 44,614	\$ 48,434	\$ 51,028
Total net debt applicable to limit	<u>2,052</u>	<u>1,638</u>	<u>1,442</u>	<u>1,025</u>	<u>790</u>	-	-	-	<u>15,957</u>	<u>15,136</u>
Legal Debt Margin	<u>\$ 23,580</u>	<u>\$ 26,400</u>	<u>\$ 28,017</u>	<u>\$ 29,552</u>	<u>\$ 32,947</u>	<u>\$ 36,797</u>	<u>\$ 40,262</u>	<u>\$ 44,614</u>	<u>\$ 32,477</u>	<u>\$ 35,892</u>
Total net debt applicable to the limit as a percentage of debt limit	8.01%	5.84%	4.89%	3.35%	2.34%	0.00%	0.00%	0.00%	32.95%	29.66%

**Legal Debt Margin Calculation for Fiscal Year 2011**

Taxable Assessed value	\$ 6,378,486
1. Debt limit (.8% of assessed value)	51,028
Debt applicable to limit:	
General obligation bonds	<u>15,136</u>
Legal debt margin	<u>\$ 35,892</u>
General Fund revenues	\$ 44,109,553
2. Debt limit ratio (10% of General Fund revenues)	\$ 4,410,955
Debt applicable to limit:	
Debt service expenditures	<u>1,332,806</u>
Legal debt margin	<u>\$ 3,078,149</u>

Note: The City Council adopted a policy to limit debt, exclusive of amounts being repaid by the Water and Sewer System, to 0.8 percent of assessed value of taxable property. The debt policy further states that the ratio of debt service expenditures as a percent of general fund revenues, exclusive of debt repaid by the Water and Sewer Fund, shall not exceed 10 percent.

**CITY OF BOWIE, MARYLAND  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Taxable Income<sup>6</sup></b>	<b>Per Capita Income</b>	<b>Median Age</b>	<b>Educational Level</b>	<b>School Enrollment<sup>1</sup></b>	<b>Unemployment Rate<sup>7</sup></b>
2002	52,865 <sup>2, 4</sup>	\$ 907,367,924	\$ 32,034	36.3	14.9	8,580	5.1%
2003	53,933 <sup>2, 4</sup>	897,677,138	32,707	36.3	14.9	8,650	5.2
2004	54,469 <sup>2, 4</sup>	974,666,884	33,786	36.3	14.9	8,698	4.8
2005	54,588 <sup>2</sup>	1,010,061,784	34,641	36.3	14.9	8,767	4.8
2006	55,529 <sup>2</sup>	1,039,684,679	36,066	36.3	14.9	8,760	4.8
2007	55,626 <sup>2</sup>	1,089,732,865	37,035	36.3	14.9	8,522	4.2
2008	55,691 <sup>2</sup>	1,081,531,015	38,895	36.3	14.9	8,404	4.2
2009	55,831 <sup>2</sup>	1,115,820,128	38,332	36.3	14.9	8,441	6.0
2010	54,727 <sup>3, 4</sup>	- <sup>5</sup>	39,961	40.1 <sup>3, 4</sup>	14.9	9,130	5.1
2011	54,787 <sup>2</sup>	- <sup>5</sup>	41,334	40.1	14.9	8,754	5.3

1. Prince George's County Board of Education.

2. Estimate from City of Bowie Planning Department.

3. Bureau of the Census.

4. Restated to correct error in prior year totals.

5. 2010 and 2011 information not yet available.

6. State of Maryland provides Net Taxable Income data.

7. Maryland Department of Labor, Career and Workforce.

**CITY OF BOWIE, MARYLAND  
PRINCIPAL EMPLOYERS  
FOR FISCAL YEAR 2011**

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<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Prince George's County Public Schools	1,071	5.01%
MedAssurant	700	3.28%
City of Bowie	416	1.95%
Wal-Mart	389	1.82%
Target	306	1.43%
Giant Food Inc.	225	1.05%
Prince George's County (911 Call Center)	200	0.94%
Macy's	190	0.89%
Safeway Stores Inc.	187	0.88%
Lowe's	<u>185</u>	<u>0.87%</u>
<b>Totals</b>	<b><u>3,869</u></b>	<b><u>18.12%</u></b>

**Source: City of Bowie Economic Development Office. Data for 2002 is unavailable. Percentages of total employment calculated from 2009 US Census Bureau ZIP Code Business Patterns Summary. There are 21,370 total employees for the zipcodes describing the City.**



**CITY OF BOWIE, MARYLAND**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**

FUNCTION	Full-Time Equivalent Employees as of June 30									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>GENERAL GOVERNMENT:</b>										
City Manager	7.0	7.0	6.5	7.1	7.1	7.2	7.4	7.4	7.4	8.4
Personnel	2.8	2.8	2.8	2.8	3.3	3.5	3.6	4.0	3.6	3.6
Finance	6.0	6.0	6.8	6.8	6.8	8.4	8.4	8.4	8.4	8.4
Information Technology	6.5	6.9	6.9	8.4	10.0	10.4	12.4	12.7	11.7	10.7
Public Information	5.9	5.9	6.4	5.6	5.6	5.6	5.9	5.9	6.0	6.0
City Clerk	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Community Services	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.9	4.0	4.0
Public Building and Grounds	17.6	7.0	5.5	4.5	4.5	4.5	4.5	4.5	4.5	5.5
Planning	6.7	6.7	5.7	6.0	6.0	6.0	5.0	5.0	6.1	5.1
Economic Development	1.0	1.0	1.0	1.8	2.0	2.0	2.0	2.0	1.0	1.0
<b>Total General Government</b>	<b>59.0</b>	<b>48.8</b>	<b>47.1</b>	<b>48.5</b>	<b>50.8</b>	<b>53.1</b>	<b>54.7</b>	<b>55.8</b>	<b>53.7</b>	<b>53.7</b>
<b>PUBLIC SAFETY:</b>										
Housing Inspection and Code Compliance	6.4	6.4	6.9	7.4	7.4	7.4	7.6	8.1	8.1	8.1
Public Safety/Emergency Management	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Police Department	-	-	-	-	0.1	10.2	30.6	46.8	52.0	56.6
Animal and Disease Control	3.0	3.0	3.0	3.0	3.0	3.2	3.5	3.5	3.5	3.5
<b>Total Public Safety</b>	<b>10.4</b>	<b>10.4</b>	<b>10.9</b>	<b>11.4</b>	<b>11.5</b>	<b>21.8</b>	<b>42.7</b>	<b>59.4</b>	<b>64.6</b>	<b>69.2</b>
<b>SOCIAL SERVICES:</b>										
Senior Citizen Services	11.6	11.6	12.0	12.1	13.2	13.8	13.8	14.3	14.8	14.8
Youth Services Bureau	9.0	9.0	9.1	9.1	9.2	9.2	9.6	9.6	9.6	9.6
<b>Total Social Services</b>	<b>20.6</b>	<b>20.6</b>	<b>21.1</b>	<b>21.2</b>	<b>22.4</b>	<b>23.0</b>	<b>23.4</b>	<b>23.9</b>	<b>24.4</b>	<b>24.4</b>
<b>PUBLIC WORKS:</b>										
Administration	7.0	7.0	7.0	7.0	8.0	8.0	8.0	8.0	8.0	8.0
Equipment Maintenance and Garage	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Solid Waste	54.5	52.5	56.5	56.5	57.7	57.7	55.0	55.0	55.0	55.0
Street Maintenance	18.2	19.2	20.5	21.0	25.3	25.9	27.1	27.1	27.1	27.1
Stormwater Management	5.3	5.3	5.3	5.3	5.3	6.3	6.3	6.3	6.3	6.3
<b>Total Public Works</b>	<b>89.0</b>	<b>88.0</b>	<b>93.3</b>	<b>93.8</b>	<b>100.3</b>	<b>101.9</b>	<b>100.4</b>	<b>100.4</b>	<b>100.4</b>	<b>100.4</b>

**CITY OF BOWIE, MARYLAND  
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION  
 LAST TEN FISCAL YEARS**

	Full-Time Equivalent Employees as of June 30									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>PARKS, CULTURE &amp; RECREATION:</b>										
Special Events and Parks Operations	2.6	13.2	14.6	14.6	14.6	14.0	14.0	13.6	13.9	13.9
Bowie Playhouse	-	-	-	-	-	0.6	1.2	1.2	1.4	1.4
Parks and Grounds	22.4	23.4	27.2	29.0	30.4	30.4	30.9	31.4	31.4	31.4
Ice Arena	9.1	9.1	9.1	9.1	9.6	9.6	9.6	9.6	9.6	9.6
Historic Properties and Museums	4.0	4.0	4.8	4.6	5.8	6.7	7.1	5.8	5.8	5.9
Gymnasium	5.0	5.1	5.1	5.1	5.3	5.5	6.1	6.1	6.1	6.5
<b>Total Parks, Culture &amp; Recreation</b>	<b>43.1</b>	<b>54.8</b>	<b>60.8</b>	<b>62.4</b>	<b>65.7</b>	<b>66.8</b>	<b>68.9</b>	<b>67.7</b>	<b>68.2</b>	<b>68.7</b>
<b>TOTAL GENERAL FUND</b>	<b>222.1</b>	<b>222.6</b>	<b>233.2</b>	<b>237.3</b>	<b>250.7</b>	<b>266.6</b>	<b>290.1</b>	<b>307.2</b>	<b>311.3</b>	<b>316.4</b>
<b>WATER AND SEWER FUND:</b>										
Billing and Accounting	3.7	3.7	3.9	3.9	3.9	4.3	4.3	4.3	4.3	4.3
Water	10.0	10.0	10.0	10.0	10.0	10.2	10.2	10.7	10.7	10.7
Wastewater	14.0	14.0	14.0	14.0	14.0	14.2	14.2	14.7	14.7	15.2
<b>Total Water and Sewer Fund</b>	<b>27.7</b>	<b>27.7</b>	<b>27.9</b>	<b>27.9</b>	<b>27.9</b>	<b>28.7</b>	<b>28.7</b>	<b>29.7</b>	<b>29.7</b>	<b>30.2</b>
<b>GRAND TOTAL - CITY OF BOWIE</b>	<b>249.8</b>	<b>250.3</b>	<b>261.1</b>	<b>265.2</b>	<b>278.6</b>	<b>295.3</b>	<b>318.8</b>	<b>336.9</b>	<b>341.0</b>	<b>346.6</b>

**CITY OF BOWIE, MARYLAND  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

FUNCTION	FISCAL YEAR									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>GENERAL GOVERNMENT</b>										
<b>Public Building and Grounds:</b>										
Square feet maintained	107,332	107,332	107,332	107,932	107,932	110,732	110,732	110,732	110,732	190,732
<b>Planning and Economic Development:</b>										
Subdivision Reviews - Total	6	10	13	6	8	4	4	2	0	1
Zoning Reviews - Total	7	6	2	1	9	6	5	1	3	3
Site Plans - Total	10	13	13	12	18	14	14	6	2	7
<b>PUBLIC SAFETY:</b>										
<b>Housing Inspection and Code Compliance:</b>										
Number of Code Compliance Warning Notices	4,509	4,708	4,835	4,653	3,214	7,580	6,300	6,300	6,132	5,042
Rental Inspections/reinspections performed	1,454	1,511	2,040	1,183	1,200	1,464	2,100	2,300	1,480	2,528
Number of Building Permits issued	836	482	526	559	532	602	450	450	401	355
<b>Animal Control:</b>										
Number of service reports taken <sup>1</sup>	1,327	1,137	1,860	2,150	2,430	2,512	2,316	2,168	1,799	1,725
Number of running-at-large calls	392	300	554	476	550	456	400	426	480	415
Number of wildlife complaints	70	90	184	300	275	500	566	604	348	329
<b>SOCIAL SERVICES:</b>										
<b>Senior Citizen Services:</b>										
Number of bus passenger miles	61,000	58,871	58,963	59,600	60,000	61,200	66,000	67,000	69,891	72,100
Number of meals served and delivered	11,624	10,919	13,703	11,900	13,300	15,050	15,225	15,350	18,070	21,460
Average daily attendance <sup>2</sup>	224	214	218	240	226	223	240	240	220	343
<b>Youth Services Bureau:</b>										
Number of adults & youths counseled <sup>3</sup>	576	470	474	832	600	687	674	699	963	850
Number of alcohol/drug-free events for youth	12	13	18	15	15	12	14	14	55	20
<b>PUBLIC WORKS:</b>										
<b>Solid Waste:</b>										
Number of households served	19,200	19,500	20,184	20,250	20,514	20,554	20,687	20,700	20,900	20,745
Total number of tons collected	32,533	34,470	38,114	38,600	37,385	37,508	33,856	35,000	30,899	28,969
Number of tons recycled	7,969	7,864	9,242	9,500	8,985	9,280	7,656	8,000	9,173	9,269

<sup>1</sup> Restated to correct errors in fiscal years 2004 through 2009.

<sup>2</sup> Restated to correct errors in fiscal years 2002 through 2009.

<sup>3</sup> Restated to correct errors in fiscal years 2006 through 2009.

**CITY OF BOWIE, MARYLAND  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

	FISCAL YEAR									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>PARKS, CULTURE &amp; RECREATION:</b>										
<b>Recreation and Parks:</b>										
Number of picnics-resident & non-resident	445	480	447 *	441	455	525	485	485	584	625
Number of special events	8	9	9	10	10	12	11	11	12	15
Number of city concerts	15	15	14	27	28	29	30	29	22	22
Number of days boathouse open	94	64	68 *	70	70	49	47	49	45	47
<b>Bowie Playhouse:</b>										
Bowie Playhouse days in use	200	200	178	139	150	185	196	147	272	312
<b>Ice Arena:</b>										
Length of skating season	10 mo.	10 mo.	10 mo.	10 mo.	10 mo.	10 mo.	10 mo.	10 mo.	10 mo.	10 mo.
Total number of all admissions	18,000	17,500	17,200	16,500	18,000	17,625	17,511	17,500	15,937	16,800
<b>Historic Properties and Museums:</b>										
Visitors to all properties and museums <sup>1</sup>	11,706	12,002	13,210	13,525	13,824	15,418	17,242	16,856	14,915	15,200
<b>Gymnasium:</b>										
Hours Programmed	3,500	3,680	4,180	4,264	5,085	5,100	5,120	5,150	5,150	5,150
Court rental hours	0	0	0	6,349	6,530	7,380	7,500	7,750	7,700	7,750
<b>Water and Sewer Fund:</b>										
<b>Water:</b>										
Million gallons treated/delivered	710	744	673	692	700	800	810	810	769	775
<b>Wastewater:</b>										
Million gallons of wastewater treated	667	732	758	684	660	744	711	714	713	700
Tons of sludge produced	3,718	3,402	3,616	3,406	2,678	3,008	2,640	2,640	3,026	2,800

\*Beginning in FY 04, these indicators are based on number of days reserved, whereas prior years these were based on number of permits issued. This is due to change over to new reservation management software.

\*\*Beginning in FY 04, these indicators are now based on the calendar year boathouse season.

<sup>1</sup> Restated to correct errors in fiscal years 2006 through 2009.

**CITY OF BOWIE, MARYLAND  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

FUNCTION	FISCAL YEAR									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>PUBLIC WORKS:</b>										
<b>Street Maintenance</b>										
Miles of Streets and Roads	163	175	178	180	180	180	182	184	185	185
Miles of Sidewalks	85	100	116	122	124	124	124	125	129	128
Miles of Alleys	2	2	2	2	2	2	2	2	2	2
Number of Street Lights <sup>2</sup>	4,450	4,600	4,752	4,910	5,100	5,263	5,348	5,723	5,914	5,635
Number of Traffic Light Controlled Intersections	23	23	23	24	24	24	24	24	24	24
<b>Stormwater Management</b>										
Miles of Storm Sewers	396	396	396	396	396	396	396	396	396	396
Number or SWM ponds and basins maintained	49	51	57	60	60	67	69	69	69	71
<b>PARKS, CULTURE &amp; RECREATION:</b>										
Parks and Open Space-Number of Acres	1,780	1,780	1,780	1,360	1,360	1,360	1,360	1,373	1,373	1,373
Number of Community Centers	3	3	3	3	3	3	3	3	3	3
Number of Ball Fields-City, Co. Bd of Ed MNCPPC <sup>1</sup>	84	87	87	91	91	91	94	97	97	97
Number of Ice Skating Rinks	1	1	1	1	1	1	1	1	1	1
Number of Theaters	1	1	1	2	2	2	2	2	2	2
Number of Skateboard Parks	1	1	0	0	1	1	1	1	1	1
Number of Museums	5	5	5	5	5	5	5	5	5	5
<b>WATER &amp; SEWER FUND:</b>										
Miles of Sanitary Sewers <sup>1</sup>	85	85	85	85	85	85	85	85	85	85
Number of water/sewer customers-residential <sup>1</sup>	7,690	7,684	7,660	7,690	7,690	7,700	7,700	7,700	7,700	7,716
Number of water/sewer customers-commercial <sup>1</sup>	174	178	173	175	180	176	220	220	220	222
Daily Average Water Consumption M.G.	2	2	2	2	2	2	2	2	2	2
Water Plant Capacity M.G.D.	5	5	5	5	5	5	5	5	5	5
Miles of Water Mains	95	90	90	90	90	90	90	90	90	90
Number of Fire Hydrants	562	560	560	560	560	560	560	560	560	560
Water Plant Storage Capacity M.G.	4	4	4	4	4	4	4	4	4	4

<sup>1</sup> Restated to correct errors in fiscal years 2001 through 2009.

<sup>2</sup> Restated to correct errors in fiscal years 2008 and 2009.



*“Growth, Unity, Progress”*